

**WORKPLAN  
LOCAL GOVERNMENT  
REFORM PROJECT II—  
CROATIA**

**( FY 2006 – 2007 )**

Prepared for

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Prepared by

The Urban Institute



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## **WORKPLAN**

### **LOCAL GOVERNMENT REFORM PROJECT II—CROATIA**

#### **INTRODUCTION AND WORKPLAN APPROACH**

This WorkPlan is a deliverable in the contract between the Urban Institute (UI) and the United States Agency for International Development (USAID) (Contract No. 160-C-00-03-00104-00) modified on September 30, 2005. For each component of the Local Government Reform Project II (LGRP), this WorkPlan for fiscal years 2006 and 2007 sets out the timetable, approach and steps to address the Scope of Work's (SoW's) targets and benchmarks; the achievements upon which planned activities will be based; and the personnel and partners who will implement the component and are identified in UI's budget accepted by USAID as part of the contract modification. The WorkPlan is designed to be an Action Plan of the LGRP to address USAID/Croatia goals such as investment in local individual and organization capacity building, legislative change, and high-visibility impact in local infrastructure and asset management.

Croatian and US subcontractors contributing to the LGRP II include: Cleveland State University (CSU), Economics Institute (EI), GONG, Institute of Public Finance (IPF), International City/County Management Association (ICMA), Libusoft, and Training Resources Group (TRG), among others. The WorkPlan notes cases in which additional local subcontractors will be identified and engaged to implement specific activities.

The WorkPlan incorporates narratives and tables to address each of the project's 13 components in turn, focusing on initiatives of higher priority to USAID/Croatia, such as administrative decentralization policy development and advocacy for local government reform legislation. These components are:

- Advance local government policy and legislation
- Increased advocacy of local government interests
- Asset management
- E-Government
- Public procurement
- Local government infrastructure
- Market for local government services (Outsourcing)
- Public administration training

Components in which LGRP II activities to meet benchmarks will be largely completed in the first half of FY 2006 are addressed more briefly in the WorkPlan. These are:

- Economic development strategic planning (EDSP)
- Investment project packaging (IPP)
- Financial management (CBS)
- City twinning
- Citizen participation (CP)



LGRP will provide technical assistance, training, and policy analysis and recommendations to a range of national institutions and local level institutions in the public, private, and non-profit sector in the interest of advancing local government reform in Croatia. Key counterparts include the Parliament, several Government of Croatia Ministries, Parliament Committee for Local Government, major cities and towns throughout the country, a network of local government champions and the Union of the Associations of Cities and Municipalities. Close coordination with the European Union and World Bank programs in fields such as fiscal decentralization and regional development will be critical to the success of LGRP initiatives.

This WorkPlan meets the requirements of contract to provide USAID with the information related to the steps of an approach to each LGPR component (benchmarks and targets that have been pre-identified by USAID) along with designated labor resources to address each step, benchmark and ultimately project target. Each section of the WorkPlan begins with a description of activities to address targets and benchmarks with a listing of labor resources (both resident local and expatriate staff, and use of short term consultant with associated level of effort expressed in days). These Sections are followed by a table that lists the target and benchmarks for each component and steps the LGRP will take to implement the prescribed USAID benchmark. The last column in the table shows the associated labor resources by name/organization that will address each step.

The focus of this WorkPlan is on the first year and therefore, the narratives provide more details on the activities and issues during year 2006 and less on year 2007. The second year of the WorkPlan is more general in terms of text and steps to meet benchmarks due to difficulty to predict the environment under which the project will operate. Greater detail in approach to each benchmark listed in the Scope of Work is provided in the steps to be taken to meet targets and benchmarks in components taking precedence in the modified Scope of Work.



## **Component 1. ADVANCE LOCAL GOVERNMENT POLICY AND LEGISLATION**

### **Description of Activities to Address Targets and Benchmarks (Subcomponent 1.4.1)**

In understanding the existing assignment of functions and authorities of local governments and making recommendations, it is crucial that the analysis cover the relationship and interaction of the state/regional state administration, county self government and local government in an integrated manner. For that reason, LGRP has proposed and USAID had agreed that the initial study and first set of recommendations called for in the 1Q 2006 benchmarks for 1.4.1 and 1.4.3 take the form of matrices of the existing assignment of functions between the state/regional state administration, county self government and local governments complimented by a report providing recommendations of the highest priority functions and authorities to be proposed to the Experts Groups of the Government's Decentralization Commission for in-depth study and analysis.

In order to firmly establish the obvious linkages between the LGRP Policy Component and the LGRP Advocacy Component and ensure that the recommendations are "owned" and fully supported by the local governments, it was agreed with USAID to involve the two Associations of Local Governments (or Savez) in the process of the analysis and as partner in conducting a series of six roundtables with local governments of various size groupings to receive their inputs regarding (1) what additional functions they are administratively capable of performing if provided adequate financial resources and (2) which functions are a priority for devolution to local governments. The active involvement of the Savez and local governments in this activity is an important step towards formulating recommendations that will then championed by the local government representatives of the Decentralization Commission and its Experts Groups.

It is expected that the sectoral Experts Groups (composed of representatives of ministries, regional state administrations, county self governments, local governments and other experts) of the Decentralization Commission will then adopt some of the recommendations of the local governments for in-depth study, analysis and consideration for approval and subsequent recommendation to the Decentralization Commission for adoption. The LGRP, the EU Administrative Decentralization Project (expected to field consultants at the beginning of 2006) and the EU Fiscal Decentralization Project (that has a consultant group in-place as of end of November 2005) have considerable consulting resources to support the in-depth study and analysis of a limited number of priority candidate functions proposed by local government representatives and approved for study by the Experts Groups. (Note that it is vastly preferable to get Expert Group approval of the candidate functions to be studied in order to get access to good data. Should the Experts Groups reject the local government recommendations, the LGRP and EU-funded Projects under CARDS could still proceed with study of a limited number of the recommendations but could face problems of data and other necessary cooperation.) LGRP will provide technical assistance for the study of 3-4 priority functions, which is an acceleration of activities under the Advocacy Component 2.4.2 benchmark 1Q 2007.

It is expected that both the general recommendations for devolution of functions to local governments will be fully adopted by the Savez and that at least 3 to 4 specific proposals to be prepared with LGRP support will have been studied by the Experts Groups. The SOW then anticipates the need for a



public-outreach program to promote the need for new legislation to support and reinforce the recommendations of local governments for devolution of functions in general and for selected specific functions. LGRP will work with CSOA, media, ministries, policy makers, Savez and local governments to design and implement a targeted and effective public outreach program to meet these emerging needs.

#### **LGRP Labor Resources**

- **Resident Advisers and Local Staff:** Bill Kugler (through the end of January 2006), Fred Van Antwerp (from January 2006), Maris Mikelsons, Krzysztof Chmura, Senka Ramic, Dario Runtic, Suncica Pleština and other project technical staff as required
- **Short Term Consultants (Contractors):** Juliana Pigey (LOE 40), Richard Winnie (LOE 40), Francis Conway (LOE 25), Research Institutes TBD (subcontracts) or Local/International Consultants for Detailed Analysis of Functions TBD (LOE 150), PR Firm TBD (subcontract)





Table 1. ADVANCE LOCAL GOVERNMENT POLICY AND LEGISLATION

Targets	Benchmarks and Quarters	Steps and Anticipated Time Period	Labor Resources
<b>1.4.1. Broadly disseminated sets of recommendations that define functions to be transferred from central to local government, including costs, implementation schedule and the most suitable institutional arrangements.</b>	<b>1Q 2006</b> Based on international experience and fieldwork, LGRP provides the first set of recommendations, suggested implementation plan and recommended institutional changes related to decentralization. The data can take the form of matrices, related to specific administrative sectors and analysis of data that provide decentralization options.  <i>(As agreed with USAID, these matrices and recommendations will also fulfill 1Q 2006 Benchmark for Target 1.4.3.)</i>	Draft Matrices of Existing Assignment of Functions to local governments prepared  Anticipated Time Period: Sept – Oct 2005  Six Local Government Roundtables (one for each size group of cities and municipalities) conducted to formulate recommendations on priority candidate functions for devolution (from state administration, regional state administration and county self government) to local governments and for which in-depth study needs to be conducted.  Anticipated Time Period: Nov – Dec 2005  Draft report compiling local government recommendations prepared and submitted to Savez senior management (Presidency) for review.  Anticipated Time Period: Dec 2005  Meetings with Savez leadership and Savez representatives on Decentralization Commission and Experts Groups conducted to adopt the compiled recommendations as Savez inputs to the Decentralization Commission and Experts Groups.  Anticipated Time Period: Jan 2006  Facilitate selection of 3-4 priority functions for in-depth study by Experts Groups and/or Savez  Anticipated Time Period: Jan 2006  In-depth analyses of 3-4 selected priority candidate functions conducted  (This is an acceleration of activity under Advocacy Component 2.4.2. Benchmark 1Q2007)  Anticipated Time Period: Jan - May 2006	<ul style="list-style-type: none"> <li>- Kugler</li> <li>- Ramic</li> <li>- Local Consultants</li> </ul>
	<b>1Q 2006</b> LGRP conducts a decentralization conference together with the World Bank and the EC Office in Croatia to present the recommendations for legislative change on decentralization.	With CSOA, WB, EC Delegation and others conduct decentralization conference, including preparation of presentation. (Conference is planned for 23 January due to time constraints of the CSOA)  Anticipated Time Period: January 23 2005  Conduct the decentralization conference in collaboration with CSOA, WB, EC Delegation and others.  Anticipated Time Period: Jan 23 2006	


**Table 1. ADVANCE LOCAL GOVERNMENT POLICY AND LEGISLATION (Continued)**

Targets	Benchmarks and Quarters	Steps and Anticipated Time Period	Labor Resources
	<b>2Q 2006</b> LGRP designs a public-outreach program to promote the need for new legislation regarding the Law on Local and Regional Self Government, sectoral laws related to decentralization in health, education, etc, Law on Local Self Government Finance and other laws that support Croatia's decentralization. In doing so, LGRP will work with the Savez, CSOA, media, ministries, policy makers and local governments.	<p>Draft public outreach program prepared to disseminate local government recommendations and (to the extent available) the findings of the in-depth analyzes of priority candidate functions for devolution</p> <p><i>(exact content and target audiences for necessary public outreach to be determined by Recommendations for Further Decentralization and findings of subsequent in-depth analyses)</i></p> <p>Anticipated Time Period: Mar 2006</p> <p>Facilitate approval of the public outreach program by Savez and/or other appropriate partner organizations</p> <p>Anticipated Time Period: Apr 2006</p>	<ul style="list-style-type: none"> <li>- Van Antwerp</li> <li>- Ramic</li> <li>- Runtic</li> <li>- Pleština</li> </ul>
	<b>3Q 2006</b> LGRP implements the public-outreach program.	<p>Public outreach program implemented as designed in 2Q 2006.</p> <p>Anticipated Time Period: May – Jun 2006</p>	<ul style="list-style-type: none"> <li>- Van Antwerp</li> <li>- Ramic</li> <li>- Runtic</li> <li>- Pleština</li> <li>- Public Relations firm (to be defined on design)</li> </ul>
	<b>1Q 2007</b> The LGRP will build capacity within the GOC for policy analysis that will enable the central government to identify issues, analyze policy and legislation, make recommendations and execute local government reforms. The Contractor's approach to policy reform will be a model for the GOC to replicate.	<p>Workshops and other training events related to legislative drafting and technical analysis of specific high priority sectors conducted for staff of CSOA, members of the Decentralization Commission and its Experts Groups and other stakeholders</p> <p>Anticipated Time Period: Oct – Dec. 2006</p>	<ul style="list-style-type: none"> <li>- Van Antwerp</li> <li>- Winnie</li> <li>- Ramic</li> <li>- Local consultants on legislative drafting and analysis of sectoral issues</li> </ul>
	<b>2Q 2007</b> The LGRP identifies five of the most important local government issues regarding reform of legislation and provides language for prospective draft laws.	<p>In-depth studies prepared of at least two additional high priority candidate functions identified by the Experts Group and/or other stakeholders. Prepare language for at least 5 pieces of draft legislation (including both laws, regulations and/or supporting rulebooks) for functions and/or other reforms (e.g. related to reform for the local government financing system) being proposed to support decentralization. This may include comments and revision of existing drafts legislation.</p> <p>Anticipated Time Period: Jan – Mar 2007</p>	<ul style="list-style-type: none"> <li>- Van Antwerp</li> <li>- Winnie</li> <li>- Ramic</li> <li>- Conway</li> <li>- Local consultants on legislative drafting and analysis of sectoral issues</li> </ul>
	<b>3Q 2007</b> The LGRP will assist the GoC with a strategy for the adoption of reform legislation.	<p>As the work of Decentralization Commission and its Experts Groups progresses, LGRP assists in development of a strategy (or strategies) to increase the chances of legislation being adopted through preparation of competent drafts, through mobilization of stakeholders and other supporters, among other means.</p> <p>Anticipated Time Period: Jun – Sept 2007</p>	<ul style="list-style-type: none"> <li>- Winnie</li> <li>- Van Antwerp</li> <li>- Ramic</li> </ul>



## Description of Activities to Address Targets and Benchmarks (Subcomponent 1.4.2)

USAID's Local Government Reform Project wants to advance local government reform by addressing legislative change. In order to do so, it is essential to develop a broad range of well informed advocates for change which will put forth proposals for improvement of local government sector but also timely respond to proposed legislative initiatives and in turn participate in public debates. The LGRP and the Union of the Associations of Cities and Municipalities in Croatia does not the capacity to continuously monitor proposed legislation and provide timely information to local governments on any changes of legislation that will impact local government daily operations or budgets.

In addition to the Savez, LGRP has identified a broad range of national and local level officials, professionals, and experts who can serve as advocates for change (called the Advocacy Network). In order to intensify policy dialogue on local government issues and timely advocate for local government issues, both the Association of Local Governments and the Advocacy Network must be aware of any proposed legislative changes to the system of local government or real changes as they occur in the Parliament.

Therefore, LGRP will contract with GONG to produce a "Legislative Alert" and an "Update from the Parliament Report" to inform the Association of Local Governments and Advocacy Network members and increase visibility of local government issues. This will directly contribute to LGRP's goal of advancing local government policy through access to better and more timely information.

In the last fiscal quarter of 2005, the LGRP worked to advance legislative reform with both the Savez and the Government. During this period, the Government's Office for State Administration shared amendments to the Law on Local and Regional Self Government in early 2005. The LGRP worked with the Savez to formulate policy positions related to decentralization of building and local permits and traffic regulation. The Savez advocated for these changes with the COSA and eventually these provisions were incorporated as part of amendments to the Local Government Law (November 2005). Additionally, the amendments included a provision for Government and Savez to conduct Best Practice Contest among all local governments and establishment of a joint Local Democracy Academy.

### LGRP Labor Resources

- **Resident Advisers and Local Staff:** Maris Mikelsons, Fred Van Antwerp (from January 2006), Dario Runtic
- **Short Term Consultants (Contractors):** Jessie Pilgrim (LOE 55), Ivan Grdisic (LOE 40), GONG (subcontract)


**Table 2. ADVANCE LOCAL GOVERNMENT POLICY AND LEGISLATION**

Targets	Benchmarks and Quarters	Steps and Anticipated Time Period	Labor Resources
1.4.2. Analyze and broadly distribute language on pending new legislation for electing local governments	4Q 2005-4Q 2007 LGRP will sub-contract GONG to prepare a monthly "Update from the Sabor", including information on drafts which are prepared and processed regarding issues of relevance to local government. This activity will also include monitoring of the Sabor's web site, attending meetings of committees which deal with local government issues. This activity will be a source of information for events organized by the Advocacy Network and for the Local Government Hours. LGRP will send the Update to its Croatian partners, such as the Advocacy Network, Savez and others, as well as to USAID.	SoW prepared, discussed and approved by GONG and USAID	- Mikelsons - Runtic - GONG
		Anticipated Time Period: Oct 2005	
		Key personnel identified along with job description, budget, subcontract documentation review	
		Anticipated Time Period: Nov 2005	
	2Q 2006 LGRP provides specific written recommendations, technical assistance and follow-up to the Central and selected local governments and mayors, for the revision of laws that provide the legal bases for the internal organization of local governments, e.g., new responsibilities of mayors and local government boards.	Subcontract with GONG issued.	- Van Antwerp - Grdesic - Runtic - Pilgrim - GONG
		Anticipated Time Period: Dec 2005	
		Legislative Alert and Update from Sabor issued on monthly basis.	
		Anticipated Time Period: Dec 2005 until end August 2007	
		Recommendations for determining roles and responsibilities of mayor and council prepared with international best practices.	
		Anticipated Time Period: Nov 2005	
		Roundtable discussion for members of Advocacy Network, MPs, Central and local government officials and media on relationship of mayor and council.	
		Anticipated Time Period: Dec 2005	
		Recommendations and international best practices distributed to select central and local government officials, MPs, media and other stakeholders.	
		Anticipated Time Period: Dec 2005 and beyond.	



### Description of Activities to Address Targets and Benchmarks - Subcomponent 1.4.3

As described above in 1.4.1. USAID agreed that 1.4.1. and 1.4.3. benchmarks for 1Q 2006 will be met by the development of the matrices of existing functional assignment and the accompanying report on first set of recommendations of highest priority functions to be considered for devolution from both state / regional state administration to local governments as well as devolution of functions from county self-government to local government.

At this point, the SoW under 1.4.1 LGRP is to design and conduct a public-outreach program focused on central government and the public while 1.4.3. envisions a series of public events in all Zupanias (Counties) more specifically related to devolution of functions from the regional state administration and county self-government to local governments. LGRP proposes that such events should focus on making the regional state administrations and county self governments more aware of the recommendations of the local governments and to generate useful discussion on the possibilities and practical barriers to suggested devolution as well as ways to improve cooperation between local governments and both the regional state administration and county self governments to improve service delivery to local people. There seem to be substantial opportunities for such improved cooperation and coordination as well as for mutually agreeable devolution of selected functions and authorities. The output of these events would be useful input to the Experts Groups and the Decentralization Commission (a framework for decentralization presented and adopted by the Government at the advice of the LGRP).

Although LGRP's SoW calls for one event in each Zupania, LGRP proposes to conduct six to seven (6-7) such events to cover all 21 Zupanias throughout Croatia in 2Q 2006 using the 1.4.1 / 1.4.3. study as the basic discussion document. This study would then be revised to take into consideration the findings from the events conducted in the Counties.

Subsequently, the SoW calls for a dissemination plan to broadly disseminate the findings which we trust will be adopted by the Experts Groups and Decentralization Commission. LGRP will then provide both technical and legal drafting support to prepare draft legislation related to the issues adopted.

#### LGRP Labor Resources

- **Resident Advisers and Local Staff:** Bill Kugler (through January 2006), Fred Van Antwerp, Senka Ramic, Dario Runtic, Suncica Pleština
- **Short Term Consultants (Contractors):** Peter Epstein (LOE 15), Local Legal Consultants TBD (LOE 50), GONG or Other Organization (subcontract)


**Table 3. ADVANCE LOCAL GOVERNMENT POLICY AND LEGISLATION**

Targets	Benchmarks and Quarters	Steps and Anticipated Time Period	Labor Resources
1.4.3 LGRP will clarify the institutional and working relationship between counties and municipalities and recommend legislative language that defines roles and responsibilities of each to enable cost-effective decentralization.	1Q 2006 LGRP completes a study on institutional and working relations between counties and local governments and recommends roles and responsibilities of each to enable cost-effective decentralization. LGRP will make written recommendations and devise a plan of action including specific steps, costs, and necessary institutional changes.	(See 1.4.1 Benchmark for 1Q 2006)  Anticipated Time Period: Dec 2005	- Kugler (through Jan 2006) - Ramic
	2Q 2006 LGRP organizes public events conducted in all Zupantias, including media coverage and presents the study to members of the central government, members of local governments, other stakeholders, policy-makers, NGOs, think tanks and media.	Public meetings conducted, including Zupania, Regional State Administration, local governments, NGOs and other interested parties in 6-7 clusters of counties (average 3 counties / cluster) to discuss practical application of local government recommendations for further decentralization of functions (primarily those suggested to be devolved from RSA and Zupania functions) and consider practical alternatives for improved cooperation and coordination between counties and local governments to improve service efficiency.  Anticipated Time Period: Mar 2006	- Van Antwerp - Ramic - Runtic - Pleština
		Incorporate recommendations in 1.4.1. / 1.4.3 study and recommendations  Anticipated Time Period: May 2006	



Table 3. ADVANCE LOCAL GOVERNMENT POLICY AND LEGISLATION (Continued)

Targets	Benchmarks and Quarters	Steps and Anticipated Time Period	Labor Resources
	<p><b>3Q 2006</b> LGRP develops a dissemination plan to implement the findings of the study including contracting with GONG and other NGOs for broad dissemination of the study.</p> <p>LGRP will also assist the CSOA, Savez, Sabor members and other policy-makers in preparing new legislation related to the above issue by providing language that could be used for reform legislation.</p>	<p>Dissemination plan designed and enter into contract to GONG</p> <p>Anticipated Time Period: June 2006</p> <p>Draft legislation prepared (as requested by CSOA, Savez, Sabor members, other stakeholders)</p> <p>Anticipated Time Period: June 2006</p>	<ul style="list-style-type: none"> <li>- Van Antwerp</li> <li>- Mikelsons</li> <li>- Ramic</li> <li>- Runtic</li> <li>- Pleština</li> <li>- GONG</li> <li>- Local Legal Consultants - TBD</li> </ul>
	<p><b>2Q 2007</b> Based upon its experience, the Contractor will prepare cases of best practices which will be disseminated and documented.</p>	<p>LGRP identifies "best practices" that support improved delivery of services to local residents primarily through improved cooperation and coordination mechanisms between local governments and the regional state administration and county self governments (e.g. the creation of Social Welfare Councils with participation of the state, county, LGs and NGO to screen beneficiaries and define and distribute social welfare benefits.) LGRP will document these best practices and disseminate them through various media, depending upon the subject and target audiences (TBD)</p> <p>Anticipated Time Period: Jan - Mar 2007</p>	<ul style="list-style-type: none"> <li>- Van Antwerp</li> <li>- Epstein</li> <li>- Ramic</li> </ul>



### Description of Activities to Address Targets and Benchmarks (Subcomponent 1.4.4)

Croatia's population is distributed unevenly among local governments. More than half of all Croatian municipalities fall in the category of small municipalities, with population ranging between 1-3,000 persons. Furthermore, almost 70 percent of Croatia's population is located in local governments classified as cities. However, there are a number of very small cities in Croatia. Sixty of the 123 cities have fewer than 10,000 inhabitants. The largest numbers of cities fall in the medium category (10-50,000 population). These account for almost 45 percent of the number of cities, but only for 34 percent of the urban population. A significant proportion of the population is concentrated in a few large cities. Zagreb accounts for over 25 percent of the total city population.

Discussions about the possibility of service delivery refer to the optimum size of a local unit with regard to optimal service delivery. The goal of every local government is to minimize the costs of local service delivery, with the precondition that with the increase in the number of service users (local population) there is the decrease in the costs of service delivery per capita. This justifies the existence of larger local government units. However, since the 1980's, or since the 1990's in Croatia, there has been a trend to yielding service activities to private companies through forms of private-public partnership. As the local government entity is less and less the direct service provider, but performs more of a regulatory function, the original justification of the existence of large regional local governments has been lost.

Many arguments have been put forward and studies carried out to suggest that there is an optimum size of local government based on provision of specific public services. That is, cost per capita for delivering certain services would be expected to fall with the increase in size of local units. Although amalgamation of local governments may be desirable, it is not easy to implement, either politically or administratively. There have been very few successful attempts at amalgamation of local governments since the 1980's. Countries may turn to an alternative, and that is mechanisms of inter-local government cooperation for provision of local public services. By implementing mechanisms for inter-local government cooperation, the full range of existing local government tasks may be retained. With the development of cooperative and contracting mechanisms among local governments, financial, administrative and technical limitations can be surmounted. Such cooperation should not be construed as a prelude to amalgamation – experience has shown that the attraction of cooperation is precisely that the cooperating units can retain their identity.

#### **LGRP Labor Resources**

- **Resident Advisers and Local Staff:** Maris Mikelsons, Fred Van Antwerp, Vesna Tomasevic
- **Short Term Consultants (Contractors):** Juliana Pigey (LOE 65)





Table 4. ADVANCE LOCAL GOVERNMENT POLICY AND LEGISLATION

Targets	Benchmarks and Quarters	Steps and Anticipated Time Period	Labor Resources
1.4.4 Recommendation for incentives and regulatory changes that the Government of Croatia can use to consolidate local government services.	<b>1Q 2006</b> Based on international experience and fieldwork with municipal clusters in Croatia and elsewhere, LGRP completes a study on the topic of cooperation among local governments for public service delivery. The purpose of this study is to promote cooperation among small local governments and encourage the central government to assist local governments (for example through the Regional Development Fund) to overcome barriers in their cooperation. For this purpose, LGRP will use local expertise to gather information in Croatia and will provide examples from other countries that are comparable then make written recommendations and a plan of action including specific steps that could be taken by the GOC and LGs.	6-8 recent examples of cooperation and/or projects for cooperation among Croatian local governments identified.	<ul style="list-style-type: none"> <li>- Mikelsons</li> <li>- Pigey</li> <li>- Tomašević</li> </ul>
		Anticipated Time Period: Oct 2005	
		Brief report prepared on proposed sample of local government cooperation examples.	
		Anticipated Time Period: Nov 2005	
		Field work and develop draft report on local government cooperation examples prepared.	
		Anticipated Time Period: Dec , 2005	
		Report on local government cooperation examples finalized.	
		Anticipated Time Period: Dec, 2005	
		Facilitate review and seek comments to the report prepared above, including initial case studies from those local governments whose cases were reviewed by the report team	
		Anticipated Time Period: Jan-Feb 2006	
		Final report distributed including initial recommendations and action plan to the key stakeholders (GOC, regional governments; local governments; NGOs; Savez members; GOC Decentralization Commission, EU, World Bank and media	
		Anticipated Time Period: Mar 2005	
	<b>3Q 2006</b> LGRP conducts a series of workshops to present the study to the GOC, regional governments, local governments, NGOs, Savez members, GOC Decentralization Commission, EU, World Bank and media.	Workshops conducted during April, May and June 2006, including one in Zagreb and at least two others in other key cities of Croatia to present the study to the local, central and other key stakeholders	<ul style="list-style-type: none"> <li>- Mikelsons</li> <li>- Van Antwerp</li> <li>- Pigey</li> <li>- Tomašević</li> </ul>
		Anticipated Time Period: Apr – Sep 2006	



Table 4. ADVANCE LOCAL GOVERNMENT POLICY AND LEGISLATION (Continued)

Targets	Benchmarks and Quarters	Steps and Anticipated Time Period	Labor Resources
	<b>1Q 2007</b> LGRP provides technical assistance and training for at least two "clusters" of local governments and a relevant ministry, to adopt recommendations for consolidating services and are an example of successful cooperation.	Two Clusters identified with potential for cooperation projects. Workshops conducted during October – December 2006 and January – March 2007 in order to provide technical assistance to these two "clusters" of local governments and a relevant ministry, in order to have Recommendations adopted.  Anticipated Time Period: Oct 2006 – Dec 2006	- Mikelsons - Van Antwerp - Pigey - Tomašević
	<b>3Q 2007</b> LGRP documents and promotes the results of cooperative arrangements among several local governments as "best practice" to all local governments and central government institutions.	Results of cooperative arrangements disseminated as cases of "best practice" to the key stakeholders (GOC, regional governments; local governments; NGOs; Savez members; GOC Decentralization Commission, EU, World Bank and media) through practical manuals and workshops (including participation / presentation of officials from "cluster" local governments.  Anticipated Time Period: Jun – Jul 2007	- Mikelsons - Van Antwerp - Pigey - Tomašević

### **Description of Activities to Address Targets and Benchmarks (subcomponent 1.4.5)**

Local governments are obliged to use appropriated funds effectively and efficiently, thus sound investment planning systems should be promoted in Croatia instead of the present “ad hoc” system of transfers. A systematic approach to financial transfers would enable local governments to better utilize local budget capacity, as well as external financing. In many cases, local governments lack long term investment plans with clear priorities. Better preparation of capital projects on the part of local governments will ensure effectiveness and efficiency of investment policies, thus avoiding failures with implementation of projects, which have very negative impact on local budget.

The “capital financing” subcomponent of the policy component will focus on the local policy regarding capital investments and sources of finance for projects. In other words, LGRP will promote and educate local governments how they should address capital financing in terms of the procedures and sequence of activities to plan capital investments.

In order to address this subcomponent the LGRP will first prepare a set of recommendations and promotional materials based on its international and local experience on means for locating, planning, budgeting and monitoring potential capital financing.

LGRP has developed some materials related to different aspects of capital investments for local governments (though its work on capital improvement plans and investment project packaging). The materials are in a form of manuals and supporting training materials supplemented by case studies. These manuals were developed out of the work related to creating an economic development strategic planning model and citizen participation model. Both of these models addressed the issue of prioritization of capital projects. LGRP has also developed financial management materials that dealt with creditworthiness analysis for local governments and capital investment planning (CIP). More recently, the LGRP created materials and manuals for its Investment Project Packaging Model (IPP) that addressed an array of capital finance issues, including identification of potential sources of finance, conducting financial capacity analysis and providing guidelines to development of project documentation required by different financial sources. Additionally, LGRP developed several feasibility studies and cost-benefit analysis to illustrate how financial feasibility of projects should be conducted (as part of its work in IPP).

In order to ensure sustainability, LGRP will promote examples of local capital investment policies describing procedures, requiring development of long term capital improvement plan, etc. Local governments will be encouraged to adopt these procedures as part of policy through council resolutions and ordinances.

The materials will be a basis for two events (one in Zagreb and the other in Split) to promote the recommendations to a wider audience including the media, local government representatives, and relevant GoC institutions including the Ministry of Foreign Affairs and European Integration. The recommendations will enable the LGRP to achieve the conference objectives to ensure that participants from local governments will: (1) know what is the appropriate policy and procedure for locating, planning, budgeting and monitoring capital investments, (2) learn the basics on the elements of the investment procedure and



how those elements can be incorporated as part of best practice and (3) learn how to ensure that comprehensive planning and monitoring of capital financial becomes local policy.

The recommendations will be then disseminated to all local governments using various media channels including print and broadcast media, the Network of Local Government Advocates, GONG (local advocacy NGO), and Savez (Union of Association of Cities and Association of Municipalities). Additionally, successful examples of local capital finance will be documented and disseminated. The LGRP will work closely with local capital investment experts (including, if feasible, representatives of Croatian institutions dealing with capital investments, like Regional Development Fund, Ministries, banks, etc.) to ensure that recommendations that derive from this subcomponent are compatible with local conditions.

### **LGRP Labor Resources**

- **Resident Advisers and Local Staff:** Fred Van Antwerp, Krzysztof Chmura, Zoran Svoboda, Suncica Pleština, Nenad Klapcic

#### **Short Term Consultants (Contractors):**

- Local Investment Experts TBD (LOE 50 days), Peter Epstein (LOE 10)



Table 5. ADVANCE LOCAL GOVERNMENT POLICY AND LEGISLATION

Targets	Benchmarks and Quarters	Steps and Anticipated Time Period	Labor Resources
1.4.5. Recommendations to local governments on means for locating, planning, budgeting and monitoring for capital financing.	1Q 2006 LGRP prepares a set of recommendations and promotional materials based on its international and specific Croatian experiences on means for locating, planning, budgeting and monitoring potential capital financing.	All materials addressing locating, planning, budgeting and monitoring for capital investments developed by LGRP, local governments and other institutions (Universities, Chamber of Economy, etc) collected and reviewed.  Anticipated Time Period: Nov – Dec 2005	<ul style="list-style-type: none"> <li>- Fred Van Antwerp</li> <li>- Chmura</li> <li>- Svoboda</li> <li>- Local Investment Experts (TBD)</li> </ul>
		Other materials on local government capital investments (e.g. EU guidelines) and its relevance to the Croatian legal and organizational framework of local governments concerning capital investment policies collected.  Anticipated Time Period: Dec 2005	
		Draft set of recommendation and rules regarding "Capital Financing" for local governments produced.  Anticipated Time Period: Dec 2005	
	2Q 2006 LGRP holds two events (Zagreb and Split) to promote the recommendations to a wider audience including the media, local government representatives, and relevant GOC institutions including the Ministry of Foreign Affairs and European Integration.	Design for two conferences, Zagreb and Split, (agenda, identification of presenters, all the presentations and other papers) developed.  Anticipated Time Period: Jan 2006	<ul style="list-style-type: none"> <li>- Fred Van Antwerp</li> <li>- Svoboda</li> <li>- Local Investment Experts (TBD)</li> </ul>
		Conferences organized (organize logistics, ensure the logical flow of presentations, provide guidelines to presenters, review Power Point presentations, supervise preparation of the conference presentations, and background materials)  Anticipated Time Period: Feb 2006	
		Conferences conducted in Zagreb and Split  Anticipated Time Period: Mar 2006	
	3Q 2006 LGRP disseminates the recommendations to all local governments using various media channels including print and broadcast media, the Network of Local Government Advocates, GONG, and Savez.	Develop dissemination plan of guidelines for capital investments to all local governments using various media channels including print and broadcast media, the Advocacy Network, GONG and Union of Association of Cities and Association of Municipalities (Savez).  Anticipated Time Period: Apr- May 2006	<ul style="list-style-type: none"> <li>- Svoboda</li> <li>- Plestina</li> <li>- Van Antwerp</li> <li>- Local Experts (TBD)</li> </ul>
		Dissemination plan implemented for guidelines of capital investments for local governments\.  Anticipated Time Period: Jun 2006	



Table 5. ADVANCE LOCAL GOVERNMENT POLICY AND LEGISLATION (Continued)

Targets	Benchmarks and Quarters	Steps and Anticipated Time Period	Labor Resources
	2Q 2007 LGRP documents and disseminates successful examples of municipal finance.	Recommend possible follow-up on dissemination of guidelines for capital investments to all local governments using various media channels including print and broadcast media, the Advocacy Network, GONG and Union of Association of Cities and Association of Municipalities (Savez) promotional materials to be utilized during regional conferences on capital.  Anticipated Time Period: Jan – Mar 2007	- Van Antwerp - Svoboda
		Conference materials with latest information regarding terms, conditions legal framework and practice in LG's regarding capital financing disseminated  Anticipated Time Period: Jan – Mar 2007	- Van Antwerp - Svoboda - Epstein



## Component 2. INCREASED ADVOCACY OF LOCAL GOVERNMENT INTERESTS

### Description of Activities to Address the Targets and Benchmarks

Savez (Union of Association of Cities and Association of Municipalities) is the only national organization of local governments in Croatia, representing over 70 percent of all local governments. Savez administration was inherited from the previous era (before independence of Croatia) and Savez is continuing to define new role for itself. There has been noticeable progress in the work of this organization and representative body.

LGRP has assisted the Savez on organizational issues and advocacy functions of an Association. With this type of assistance, the Savez has become a more recognized organization among its membership and central government (given that it is consulted on legislative or other issues). For example, the Parliament recently adopted amendments to the Law on Local Government, in which it recognizes Savez as counterpart for establishing Local Democracy Academy, a proposed training institution for local governments. Furthermore, the Government included representatives of the Savez and regional governments as part of the Decentralization Commission. Savez is also recently actively collaborated with the Project to implement workshops on functional analysis of local governments to produce recommendations for further decentralization.

LGRP will support Savez in its advocacy efforts. In the past, LGRP supported the Savez to issue its policy statements by assistance in drafting the policy statements and conducting research on the impact of proposed solutions that were part of the statements. One of proposed statements dealt with the distribution of shared profit tax to local governments. In order to address the issue of a shared tax, LGRP will contract with one of the research institutes and/or local experts to conduct an impact study on this topic and provide examples of how a profit tax is distributed between levels of government in other countries.

LGRP will also support Savez in implementing the second iteration of the Best Practice Program, mainly by participating in evaluation of applications and promoting the Program through media. LGRP will continue assisting Savez in issuing other policy statements, supporting them with research to evaluate impact of proposed changes that relate to a policy position. The draft policy statements will be discussed among members of Savez and then publicized through promotion campaigns. Moreover, LGRP will assist the Savez to reconstitute itself after a quorum was not reached in the election for the Presidency of the Association of Municipalities. As part of this assistance, LGRP will consider providing a targeted grant to Savez to establish a functional policy process through Savez committees and enhance communication with its members.

### LGRP Labor Resources

- **Resident Advisers and Local Staff:** Krzysztof Chmura, Fred Van Antwerp, Maris Mikelsons, Dario Runtic, Suncica Pleština
- **Short Term Consultants (Contractors):** Savez (explore use of a subcontract or grant), Economics Institute or other similar local Research Organization (subcontracts), PR Firm TBD (subcontract)


**Table 6. INCREASE ADVOCACY OF LOCAL GOVERNMENT INTERESTS**

Targets	Benchmarks and Quarters	Steps and Anticipated Time Period	Labor Resources
<b>2.4.1. Technical assistance and training to Savez improves its position as an independent, professionally staffed and member-financed institution broadly recognized as a credible and effective voice for local government issues. This will be measured by an annual survey of customers and stakeholders.</b>	<b>1Q 2006</b> LGRP will engage the Savez in subcontracts to achieve specific goals and define their mutual relationship.	SOW for grant or contract for Savez contemplated at USAID's direction.  Anticipated Time Period: Dec 2005	- Mikelsons - Chmura - Runtic - Savez
	<b>1Q 2006</b> LGRP conducts an impact study on Shared Profit Tax in Croatia using the Public Finance Institute or a similar Croatian institution. The findings of the study will be the basis for written recommendations including practices in countries which are comparable to Croatia, to be presented to Croatian partners, including but not limited to Members of Parliament, the Sabor Committee for local government and the Sabor Committee for finances, the leadership of Savez and of CSOA, during a round of presentations organized jointly by UI and the research Institute	Examples of international experience on shared Profit Tax prepared, discuss with research institutes or local experts  Anticipated Time Period: Oct 2005	- Van Antwerp - Runtic - Local Finance Experts
		Search research institute or local experts identified,  Anticipated Time Period: Nov 2005	
		Consultant agreement and/or subcontract to conduct the Study prepared. International experience materials on shared tax are prepared.  Anticipated Time Period: Dec 2005	
		Translation of international experience into Croatian.  Anticipated Time Period: Dec-Feb 2005	
		Roundtable as part of LGH on shared tax prepared, disseminate the study to select stakeholders such as Central Government officials, Ministry of Finance, Parliament committees, local government representatives and media  Anticipated Time Period: Feb 2006	
		Members of the evaluation panel for Best Practice identified meetings of the steering group and determining media plan.  Anticipated Time Period: Jan 2006	- Van Antwerp - Mikelsons - Runtic - Plestina - Savez - PR firm TBD
	<b>2Q 2006</b> LGRP and Savez implement the "Best Practice" award program (in collaboration with GoC and Council of Europe) through a major media campaign (print, TV, radio and other channels). LGRP will contribute to this "Best Practice" by organizing the media campaign and participating on the steering and selection committee of "Best Practice" awardees	BP brochure and application form prepared and issued.  Anticipated Time Period: Feb 2006	
		Project presented with Savez, CoE, and CSOA; participate in meetings of evaluation panel and evaluation visits to short listed local governments  Anticipated Time Period: Feb- Mar 2006	
		Award ceremony of Best Practice Program conducted  Anticipated Time Period: Apr 2006	





Table 6. INCREASE ADVOCACY OF LOCAL GOVERNMENT INTERESTS (Continued)

Targets	Benchmarks and Quarters	Steps and Anticipated Time Period	Labor Resources
	<b>3Q 2006</b> LGRP recommends and coordinates with Savez to prepare and/or revise policy statements with member input to articulate the position of Savez members. This work will take place through an established relationship with an association of local governments in the US. The work will entail continued collaboration on issuance of policy statements, prioritizing a legislative agenda, outsourcing data and analysis/research to strengthen Savez positions on policy and preparation of organizational aspects of Savez annual assemblies along with public relations campaigns.	Policy statements/positions issue in a SOW for a grant or contract addressing policy procedures to utilize Savez committees and electoral procedures.	- Van Antwerp - Runtic - Pleština - Savez - Virginia Municipal League - PR firm TBD
		Anticipated Time Period: Dec 2006	
		Implement the contract or grant with Savez to address policy issues at USAID's direction.	
		Anticipated Time Period: Feb- Jun 2006	
	<b>2Q 2007</b> Savez independently prepares expanded member services including canvassing members for policy input and priority legislative agenda and advocacy efforts (creating an awareness of its agenda in the media and among members) as an integral component of their portfolio of services.	Savez is assisted with public relations (PR) campaigns	- Van Antwerp - Runtic - Savez
		Anticipated Time Period: Apr- Jun 2006	
		Concept of expanded member services prepared by Savez.	
		Anticipated Time Period: Jun – Sep 2006	
		Priority legislative agenda developed by Savez for discussion among members.	
		Anticipated Time Period: Oct – Dec 2006	
		Discussion among members on priority legislative agenda conducted by Savez.	
		Anticipated Time Period: Feb – Mar 2007	
		Expanded member services implemented by the Savez.	
		Anticipated Time Period: Feb – Mar 2007	



### Description of Activities to Address the Targets and Benchmarks

LGRP is addressing advocacy through its work with the Savez and Decentralization Commission (through contribution of representatives from Savez and other experts to the decentralization process). In order to make advocacy effort even more effective, LGRP will address local government advocacy through an “Advocacy Network”. LGRP will organize the Advocacy Network as an informal network but will work to ensure that opinions of Network members are visible. And, through this Network, the LGPR will work to influence public and government perception of local government issues.

In order to address the Advocacy Network, LGRP will engage GONG to organize Local Government Hours “as venue for members of the Advocacy Network”. In agreement with USAID and GONG two events (out of 8) were postponed to January 2006. As part of this work, GONG will be asked to identify and establish relationships with individuals and institutions willing to advocate for local government interest. The potential members of Advocacy Network will represent prominent mayors, members of Parliament (including Sabor Committee on Local Government), journalists, professors, representatives of research institutes, etc. Local Government Hours (LGH) or roundtables will help identify members of the Network. Topics of the LGH will cover the most important local government issues, such as the direct election of mayors, EU accession, and the European Charter on Local Self-Government.

In order to better support dialogue on local government issues, LGRP will conduct impact studies on issues identified in support of advocacy efforts using research institutions or local experts. The focus of these studies would be on issues identified in Savez recommendations for further decentralization as result of joint work on prioritizing functions for decentralization (or sometimes referred to as functional analysis). These recommendations are intended to be the input of the Savez to the Decentralization Commission (see Policy component 1.4.1).

LGRP will consider various additional activities to create an identity for the Network. These activities might include (1) a method to better define the Network by creating a list of participants, presenting their affiliation, rationale for participating in the Network, and contacts, (2) introduce branding of the Advocacy Network for the Local Government Hours and media, and (3) provide members of the Network with an electronic newsletter. LGRP will also consider issuance of a subcontract for maintenance of the needs of the Advocacy Network.

### LGRP Labor Resources

- **Resident Advisers and Local Staff:** Krzysztof Chmura, Fred Van Antwerp, Nenad Klapcic, Igor Miškulin, Suncica Pleština
- **Short Term Consultants (Contractors):** GONG (subcontract), Research Institutes TBD (subcontract) or Local Experts/Consultants, Peter Epstein (LOE 12)



Table 7. INCREASED ADVOCACY OF LOCAL GOVERNMENT INTERESTS

Targets	Benchmarks and Quarters	Steps and Anticipated Time Period	Labor Resources
2.4.2. Croatian advocacy network provides a broadly represented and independent voice to promote local governments	1Q 2006 LGRP sub-contracts GONG to organize eight regional "Local Government Hours" as a venue for Advocacy Network and Savez members to expose, elaborate and advocate for issues of local government concern. GONG will bring together representatives of local and central government, the public and the media	Draft, review, design, print and distribute studies, recommendations, comments and case studies on direct elections of a mayor, relationship of mayor and council, implications of EU accession for local governments and compliance of Croatian legislative framework with European Charter on local governments	<ul style="list-style-type: none"> <li>- Chmura</li> <li>- Miškulin</li> <li>- GONG</li> <li>- Runtic</li> </ul>
		Anticipated Time Period: Oct- Dec 2005	
		Six roundtables for Advocacy Network conducted and Savez members on issues identified above	
		Anticipated Time Period: Oct- Dec 2005	
	2Q 2006 LGRP prepares and conducts at least four impact studies using research institutions/individual researchers pertaining to policy positions put forth by Savez or on issues identified by the Advocacy Network that require data and analysis to support advocacy efforts	Two roundtables on implications of EU accession as requested by Advocacy Network or Savez members conducted.	<ul style="list-style-type: none"> <li>- Chmura</li> <li>- Miškulin</li> <li>- Pleština</li> <li>- Research Institutes</li> <li>- TBD or local experts</li> <li>- Epstein</li> </ul>
		Anticipated Time Period: Jan 2006	
		Issues identified for further research by institutions and/or individual researchers.	
		Anticipated Time Period: Jan 2006	
		SOW drafted and discussed with researchers/research institutes, seek approval of SOW by USAID	
		Anticipated Time Period: Feb 2006	
		Budget prepared and reviewed for research (consultant or institution)	
		Anticipated Time Period: Mar 2006	
		Research finalized, review studies, design and print studies, determine dissemination strategy	
		Anticipated Time Period: May 2006	


**Table 7. INCREASED ADVOCACY OF LOCAL GOVERNMENT INTERESTS (Continued)**

Targets	Benchmarks and Quarters	Steps and Anticipated Time Period	Labor Resources
	<b>1Q 2007</b> "Advocacy Network" and Savez members present to stakeholders and the public a minimum of four sets of written recommendations and policy analyses for further decentralization of authorities and improvement of coherency of local government legislative framework, as defined by local partners and/or USAID.	Four sets of recommendations and policy analyses identified in a suitable form for dissemination.	- Van Antwerp - Miškulin - Runtic - Pleština - PR Firm TBD
		Anticipated Time Period: May – Sep 2006	
		Recommendations presented to stakeholders and the public.  Anticipated Time Period: Oct – Dec 2006	
	<b>2Q 2007</b> The Contractor conducts for public events throughout Croatia and in major cities including Rijeka, Zagreb, Split and Osijek, and continues to expand the Advocacy Network.	Concept developed and logistics provided to four public events on local government reform issues	- Van Antwerp - Miškulin - Pleština
		Anticipated Time Period: Jan 2007	
		Four events in Rijeka, Zagreb, Split and Osijek conducted.	
		Anticipated Time Period: Feb – Mar 2007	
		Expanded Advocacy Network created through adding new members and providing additional information like the Newsletter.	
	<b>3Q 2007</b> The Contractor conducts three public events in Zagreb, Rijeka and Split highlighting decentralization issues and providing approaches to decentralization.	Concept and logistics developed for three public events on decentralization issues	- Van Antwerp - Miškulin - Pleština
		Anticipated Time Period: Apr 2007	
Three events in Rijeka, Zagreb, Split conducted.  Anticipated Time Period: May – Jun 2007			



### Component 3. ASSET MANAGEMENT

#### Description of Activities to Address the Targets and Benchmarks

The revised SoW quite practically calls for a re-orientation of the Asset Management (AM) activities exclusively toward larger local governments with substantial assets and away from work with smaller partner local governments with limited asset bases, some of which LGRP was previously instructed to support. The revised SoW calls for continuation and deepening of direct LGRP technical support to Split and Karlovac, continuing partnership with Varaždin and direct technical assistance to two new large cities, Rijeka and Zadar. LGRP has restarted work in Karlovac and Split following the elections and seating of new administrations and has accelerated the implementation of the AM Model in Rijeka with start up initiated in November 2005 (appointment of the City-wide task force). Regarding the City of Zadar, which is specified by name in the SoW, LGRP has agreed with USAID to aggressively market the Asset Management Model in Zadar to secure their agreement during 2Q 2006 to proceed with work. However, implementation of the AM model requires serious political as well as technical commitment, which is not yet certain to exist in the City of Zadar. If Zadar is not prepared to make the required commitments, LGRP will then work with USAID to identify an acceptable partner city for asset management implementation.

In addition to the continuing direct technical assistance, which is expected to continue to the end of the project, LGRP will endeavor to provide continuing support to LGRP-trained Asset Management consultants working either under the second Cost Share Program (that will end in March 2006) and in their future contracts secured independently at market rates or at full cost.

The list of current implementers of the Asset Management model also includes following local governments: Bilje, Cetingrad, Djulovac, Dvor , Glina, Grubisno Polje, Kastela, Koncanica, Krnjak, Kutina, Novigrad, Pag, Pula, Rakovica, Sibenik, Sirac, Slatina, Slunj, Trogir, Varazdin, Veliko Trojstvo and Vojnic.

#### LGRP Labor Resources

- **Resident Advisers and Local Staff:** Bill Kugler (through January 2006), Fred Van Antwerp, Hrvoje Bertovic, Nenad Klapcic
- **Short Term Consultants (Contractors):** John Rutledge (LOE 50), Olga Kaganova (LOE 35), Libusoft (subcontract), Local Asset Management Consultants TBD (LOE 50)



Table 8. ASSET MANAGEMENT

Targets	Benchmarks and Quarters	Steps and Anticipated Time Period	Labor Resources
<b>3.4.1. The life-of-program targets for this component are:</b>  <b>1) Total of \$2 billion worth of physical assets inventoried and more effectively and transparently managed in participating local governments;</b>  <b>2) Assets generate \$12.5 million in revenues through improved management, maintenance, lease, rent or sales.</b>	<b>2Q 2006</b> Two additional cities identified ( Rijeka and Zadar);  disposed, rented, leased or sold assets generate \$.5 million in revenues (from all existing AM model implementers)	Agree with City of Rijeka to implement AM model, assist to assign and mobilize Task Force, conduct introductory training  Anticipated Time Period: Dec 2005	- Kugler (through Jan 2006) - Bertovic - Van Antwerp - Rutledge - Libusoft and other LGRP-Trained Consultants
		Promotional meetings in Zadar conducted and, if interested, agree on AM model implementation. If Zadar does not agree, identify and agree with other candidate city to implement model.  Anticipated Time Period: Feb-Mar 2006	
		Technical assistance continues to existing direct technical assistance partner cities and local governments, as well as those that have implemented the AM model using LGRP-trained consultants  Anticipated Time Period: Mar 2006	
		Design and arrange logistics for semi-annual reporting of official financial AM revenue results.  Anticipated Time Period: Jan 2006	
		AM revenue results issued ( for Croatian Year – End 2005 = USAID 1Q 2006).  Anticipated Time Period: Feb 2006	
	<b>3Q 2006</b> Training, inventorying and analysis completed in Split; improved asset management in progress;  a total of 4 LGs adopt asset management reports and recommendations;  <i>(as previously agreed with USAID, includes all AM reports and recommendations adopted to date)</i>	Training in Split conducted on all of the remaining AM model steps: improving leasing practices, reporting, organizational issues and planning. Technical assistance continues to further expand and analyze the inventory (addition of properties, classification, initial financial data collection and analysis). Improved asset management in progress.  Anticipated Time Period: Jun 2006	- Van Antwerp - Bertovic - Rutledge - Libusoft
		Asset Management reports and recommendations presented to the city councils and accepted in Glina, Slatina, Kutina and Karlovac (Phase 1)  Anticipated Time Period: Jun 2006	
		Municipality of Vojnic assisted to prepare template for AM report and recommendations. (Where feasible, presentation to city council facilitated)  Anticipated Time Period: Dec 2005 – Apr 2006	
		Start-up AM activities in Zadar ( or other city TBD)  Anticipated Time Period: Jun. 2006	



Table 8. ASSET MANAGEMENT (Continued)

Targets	Benchmarks and Quarters	Steps and Anticipated Time Period	Labor Resources
	<b>4Q 2006</b> Improved asset management in progress; \$1.5 billion worth of physical assets inventoried; disposed, rented, leased or sold assets generate \$7.5 million in revenues in participating LGs; (from all existing AM model implementers)	Technical assistance and cooperation continues with all existing AM model implementers.  Anticipated Time Period: Sep 2006  Report on official AM revenue generation and value of physical assets issued (based on Croatian mid-year financial results, June 2006).  Anticipated Time Period: Jul 2006	- Van Antwerp - Bertovic - Rutledge - Libusoft
	<b>1Q 2007</b> Improved asset management in progress; a total of 6 LGs adopt asset management reports and recommendations;	City of Split AM report and recommendations finalized. (Where feasible, presentation to city council facilitated)  Anticipated Time Period: Oct 2006  City of Karlovac assisted to prepare Comprehensive Asset Management Strategic Plan. (Where feasible, presentation to city council facilitated)  Anticipated Time Period: Jan – Dec 2006	- Van Antwerp - Bertovic - Rutledge - Kaganova - Libusoft
	<b>2Q 2007</b> Training in two additional cities completed, \$2.0 billion worth of physical assets inventoried; leased or sold assets generate \$10.0 million in revenues in participating LGs (from all existing AM model implementers).	Training and technical assistance provided to Rijeka and Zadar (or other city TBD) in all AM model steps.  Anticipated Time Period: Nov 2005 – Mar 2007  Technical assistance on cooperation with all existing AM model implementers continues.  Anticipated Time Period: Through Mar 2007  Report on official AM revenue generation and value of physical assets issued, (based on Croatian year end financial results, Jan 2006)  Anticipated Time Period: Feb 2007	- Van Antwerp - Bertovic - Rutledge - Kaganova - Libusoft
	<b>4Q 2007</b> Improved asset management in progress; a total of 8 LGs adopt asset management reports and recommendations; leased or sold assets generate \$12.5 million in revenues in participating LGs (from all existing AM model implementers).	Technical assistance and cooperation continues with all existing AM model implementers.  City of Rijeka finalized AM report and recommendations. (Where feasible, presentation to city council facilitated)  City of Zadar (or other) finalized AM report and recommendations. (Where feasible, presentation to city council facilitated)  Official AM revenue generation issued (based on Croatian year- end financial results, Jun 2007).  Anticipated Time Period: Through Sep 2007	- Van Antwerp - Bertovic - Rutledge - Kaganova - Libusoft



#### **Component 4. ECONOMIC DEVELOPMENT STRATEGIC PLANNING (EDSP)**

##### **Description of activities to address the targets and benchmarks**

Economic Development (ED) activities in 1Q 2006 and 2Q 2006 are focused on providing technical support, monitoring and management of LGRP-trained consultants executing contracts under the second Cost Share Program which ends on 31 March, 2006. By this date, all Economic Development Strategic Plan (EDSP) drafts will have been approved by the Management Boards of the respective local governments. It is anticipated that there will be no further requirement for LGRP support between the adoption of these draft EDSPs by the Management Boards and their adoption by the local government councils.

USAID and LGRP committed to support the update of City of Rijeka's EDSP with the expectation that the process would start by October 2005. However, the City has delayed the target start-up date to January 2006 and has not yet made a final decision of which institution will lead both the City of Rijeka EDSP Update and the related Primorsko-Goranska County Regional Operational Programme (ROP). Given this delay, LGRP anticipates providing very limited technical assistance to the City of Rijeka, as requested, only through 31 March 2006.

As the ED Task Manager, Vesna Tomašević, and Economic Development Specialist, Senka Ramic, are now redeployed to support Policy Component activities, LGRP will provide very limited technical support to LGRP-trained ED consultants on an urgent, as-needed basis only to maintain quality standards in support of LGRP Outsourcing activities. However, Vesna Tomašević will conduct a summary impact study of the EDSPs that have been completed (to inform USAID on the impact of this work and what is being done to sustain local economic development through the planning process). As well, she will prepare executive summaries of all EDSPs produced by the LGRP.

##### **LGRP Labor Resources**

- **Resident Advisers and Local Staff:** Bill Kugler (through January 2006), Krzysztof Chmura, Vesna Tomašević





Table 9. ECONOMIC DEVELOPMENT STRATEGIC PLANNING (EDSP)

Targets	Benchmarks and Quarters	Steps and Anticipated Time Period	Labor Resources
4.4.1. Adoption of 48 EDSP's by local government management boards	2Q 2006 Adoption of 48 EDSPs	Continue management oversight, monitoring and technical support to LGRP-trained ED consultants assisting local governments to develop EDSPs	<ul style="list-style-type: none"><li>- Kugler (through Jan 2006)</li><li>- Chmura</li><li>- Tomašević</li></ul>
		<i>(Note: No support is anticipated to be provided to local governments between adoption of the EDSP by the management board and adoption by the local government council)</i>	
		Anticipated Time Period: Mar 2006	
		City of Rijeka is provided technical assistance, as requested, to update their EDSP. <i>(Per USAID instructions, LGRP will strictly limit its support to the City of Rijeka beyond March 2006.)</i>	
		Anticipated Time Period: Mar 2006	



## Component 5. E – GOVERNMENT

### Description of activities to address the targets and benchmarks

1Q 2006 and 2Q 2006 activities are focused on collaborating with local government to create the E-government system in an additional 29 local governments (including the 11 municipalities in the Okucani Cluster and other local governments under the Cost Share Program, which will be completed by 31 March 2006). During this period, there are heavy requirements for training staff in new locations and re-training senior staff in local governments which have previously installed the model but changed administrations as a result of the elections. Substantial technical improvements that have been made and are still being made in the model to improve functionality and keep the E-government model abreast of recent Information Technology (IT) industry innovations also require dissemination and additional training of all existing users.

Further implementation of the E-government model by LGRP direct technical assistance will be done using a new strategy embodied in the SOW. The new strategy is to involve the county self-governments (Zupania) as partners in implementing the e-government model in numerous local governments within the counties' jurisdictions. The county will act as facilitator - inviting local governments to participate, housing and maintaining a common server for the e-government systems of participating local governments, as a venue and organizer of training, etc. A partner Zupania (or Zupanias) will be identified and agreements made with both the Zupania(s) and 22 interested local governments in 2Q 2006 and the model will be installed and training conducted by 4Q 2006. The same sequence will be repeated in 2007 in another Zupania.

As the number of installed systems increases from the existing 29 to the End-of-Project Target of 100 systems, the needs for increased technical support will increase substantially. LGRP has, therefore, increased the part-time technical resources to respond to this demand.

Before each E-government system is launched, LGRP will work with the local government to implement a marketing strategy. This marketing strategy will focus on informing citizens about the availability of the E-government system and its functions. The marketing plan will incorporate the following elements:

- a) Presentations of the E-government system for the Media and citizens,
- b) Issuance of educational pamphlets, and/or press releases,
- c) Posting of posters in the local government; and
- d) Placing advertisements in local newspapers.

The marketing plan will be initiated; first, through the opening of the E-government system; second, through promotion of the One-Stop-Shop; and third, through promotion of features of the system that address citizens' involvement in local governance such as electronic conferences, surveys and information on the budget.

LGRP will also work with each local government that has implemented the e-government model to install a new feature on their presentation portals that will provide local government officials and local



citizens a useful overview of high priority environmental issues in Croatia and convenient internet access to existing websites related to Croatian environmental issues.

As well, LGRP will install a new monitoring system that will automatically count usages in each new e-government software model. For all existing e-government systems, LGRP will revisit the site and install the monitoring system to track usage of the system.

#### **LGRP Labor Resources**

- **Resident Advisers and Local Staff:** Bill Kugler (through January 2006), Krzysztof Chmura, Miljenko Smit, Nenad Klancic
- **Short Term Consultants (Contractors):** Darko Iracek (LOE 420), Miroslav Vukovic (LOE 400)



Table 10. E – GOVERNMENT

Targets	Benchmarks and Quarters	Steps and Anticipated Time Period	Labor Resources
<b>5.4.1. 100 local and regional governments employing the E-Government Model.</b>  <b>Total of 0.5 million citizen usages per annum across all 100 participating local governments</b>  <b>Improved efficiency, services and transparency of operations yielding annual savings/cost avoidance of \$2 million for local governments.</b>	<b>2Q 2006</b> E-Gov model installed and fully operational in additional 29 LGs/RGs (a total of 55 LGs/RGs)	Full operation of E-Gov model in cluster of 11 municipalities initiated and 18 local governments (individual installation done earlier).	- Kugler (through Jan 2006) - Šmit - Iracek - Vukovic
		Anticipated Time Period: Dec 2005	
		Additional training of 11 municipalities' staff on utilization of the system provided.	
	<b>3Q 2006</b> Interactive software is used to deliver information and services: -improved efficiencies and services save \$300,000 (2 million Kunas) per quarter; -75,000 citizen usages per quarter	Anticipated Time Period: Through Mar 2006	- Chmura - Šmit - Iracek - Vukovic
		Continue oversight and technical support to LGRP trained IM consultants to install models and provide training under Cost Share Program	
		Anticipated Time Period: Mar 2006	
	<b>4Q 2006</b> E-Gov model installed and fully operational in additional 22 LGs/RGs (a total of 77 LGs/RGs)	Technical support and additional training provided to all 55 sites with E-Gov model installed while continuing to improve the model according ever changing IT industry standards.	- Chmura - Šmit - Iracek - Vukovic
		Environmental feature installed on presentation portal of all installed e-government systems	
		Monitoring system operational	
	<b>1Q 2007</b> Interactive software in used to deliver information and services; improved efficiencies and services save a total of \$400,00 (2.5 million Kunas) per quarter; 100,00 citizen usages per quarter;	Anticipated Time Period: Jun 2006	- Chmura - Šmit - Iracek - Vukovic
		Screening and promotional meetings conducted with candidate Župans and mayors of local governments. Agree on IM model installation in 22 LGs within one or more Županias.	
		Anticipated Time Period: Feb 2006	
		Implement model using cluster training approach piloted in Okucani Cluster, including marketing of the e-gov model to citizens.	- Chmura - Šmit - Iracek - Vukovic
		Anticipated Time Period: Feb – Sep 2006	
		Technical support and additional training provided to all 77 sites with E-Gov model installed while continuing to improve the model according ever changing IT industry standards.	- Chmura - Šmit - Iracek - Vukovic
		Monitoring system operational	
		Anticipated Time Period: Through Dec 2006	



Table 10. E – GOVERNMENT (Continued)

Targets	Benchmarks and Quarters	Steps and Anticipated Time Period	Labor Resources
	<b>3Q 2007</b> E-Gov model installed and operational in additional 23 LGs/RGs (a total of 100 LGs/RGs)	Screening and promotional meetings conducted with candidate Župans and local governments. Agree on IM model installation in 23 additional LGs within one or more Zupanias  Anticipated Time Period: Oct 2006	- Chmura - Smit - Iracek - Vukovic
		Implement model using cluster training approach piloted in first Župania, , including marketing of the e-gov model to citizens.  Anticipated Time Period: Nov 2006 - Jun 2007	
	<b>4Q 2007</b> Interactive software in used to deliver information and services; improved efficiency saves a total of \$500,000 (3 million Kunas) per quarter; 125,00 citizen usages per quarter	Technical support and additional training conducted to all 100 sites with E-Gov model installed while continuing to improve the model according ever changing IT industry standards.  Monitoring system operational  Anticipated Time Period: Through Sep 2007	- Chmura - Smit - Iracek - Vukovic



## **Component 6. INVESTMENT PROJECT PACKAGING (IPP)**

### **Description of activities to address the targets and benchmarks**

1Q 2006 and 2Q 2006 activities under this component are dedicated to solidifying the technical capacity of at least five partner local government to apply the techniques and methodologies developed under the IPP Model. Crikvenica, Glina, Gvozdz, Koprivnica, Novska and Duga Resa have all actively participated in developing the various components of the model (Capital Improvement Planning, debt-carrying capacity analysis, identification of appropriate financial sources, etc.) and have participated in extensive training events. The focus of the current, and final, IPP activities is to apply the techniques in field applications with active participation of local government staff and then disseminate the resulting example documents through various means including the LGRP website, public administration training courses and other opportunities.

Toward this end, LGRP is continuing one-on-one technical application of the Financial and Economic Feasibility Analysis (Benefit-Cost Analysis) in Koprivnica for evaluation of a project to rehabilitate and upgrade their sewerage treatment plant. In addition to the example Economic and Financial Feasibility Analyses prepared for a market in Gvozdz and a water distribution project in Glina, this feasibility study will provide a good training example for other local governments on how to prepare such an analysis to meet project preparation that is compliant with EU standards for project financing.

IPP model materials and practical examples will be disseminated through training events at the University of Rijeka, the public administration certificate course in New Technologies in Capital Finance at ZSEM and other public administration certificate courses.

Starting in 1Q 2006 with the wind-down of IPP activities, the IPP LGRP Task Manager is being increasingly assigned to assist in Policy Component 1.4.5. activities related to recommendations to local governments on means for locating, planning, budgeting and monitoring capital finance, based largely on IPP lessons learned. In this manner, the work and materials developed under the IPP component will be further disseminated as part of activities related to Policy Component 1.4.5.

### **LGRP Labor Resources**

— **Resident Advisers and Local Staff:** Bill Kugler (through January 2006), Zoran Svoboda



Table 11. INVESTMENT PROJECT PACKAGING

Targets	Benchmarks and Quarters	Steps and Anticipated Time Period	Labor Resources
<b>6.4.1. 5 LGs embrace the IPP model and 2 LGs have secured investment project financing using the IPP model.</b>	1Q 2006 IPP model embraced by 5 or more LGs;	Training and on-site technical assistance provided, as required, to targeted LGs of Crikvenica, Glina, Gvozd, Koprivnica, Novska and Duga Resa	- Kugler (through Jan 2006) - Svoboda
		Anticipated Time Period: Dec 2005	
	2LGs access finance using the model and prepared feasibility studies	Methodological support provided to Koprivnica for Financial and Economic Feasibility Study of a wastewater treatment plant improvement to be partially financed by HBOR loan	
		Anticipated Time Period: Dec 2005	
		Based on completed Feasibility Studies, Glina and Gvozd assisted to apply to Ministry of Sea, Tourism, Transport and Development for project financing through the joint MSTTD / USAID Infrastructure Fund mechanism	
		Anticipated Time Period: Dec 2005	
		USAID staff conducts follow up activities necessary to secure funding.	
		Anticipated Time Period: Dec 2005	



## **Component 7. LOCAL GOVERNMENT INFRASTRUCTURE**

### **Description of Activities to Address the Targets and Benchmarks**

LGRP activities in this component are primarily administrative and financial. The first task is to develop a construction contract template that can be adapted for each of the 8-10 projects to be identified by USAID and the GoC Ministry of Sea, Tourism, Transport and Development (MSTTD). The model contract will be reviewed by UI's Contracts office, which is staffed by several USAID procurement experts. UI/LGRP will also review all MSTTD procurement documents utilized in the tender, the technical and cost proposals submitted by bidders, and the selection of construction subcontractors, and will verify that all Croatian legal requirements are met. The procurement process will be documented and provided to all parties. No funds will be disbursed directly to local governments. UI/LGRP will coordinate with USAID, the MSTTD-contracted supervisory engineer(s) and its local infrastructure subcontractor throughout FY 2006.

If called upon, UI/LGRP will provide data or analysis on the needs and priorities of less developed local governments, or their effectiveness or potential for effective partnership in infrastructure investment at the project selection stage. UI/LGRP can also offer recommendations on cost-savings and sustainability measures utilized in its other USAID-sponsored local government infrastructure funding initiatives in the E&E region (e.g., Georgia, Kyrgyz Republic).

### **LGRP Labor Resources**

- **Resident Advisers and Local Staff:** Maris Mikelsons, Samir Memic
- **Short Term Consultants (Contractors):** Rebecca Lawrence (LOE 25), Sonia Ignatova (LOE 25), Sarah Polen (LOE 40), Local Lawyer to Review Contracts (LOE 10)





Table 12. LOCAL GOVERNMENT INFRASTRUCTURE

Targets	Benchmarks and Quarters	Steps and Anticipated Time Period	Labor Resources
<b>7.3.1. The life-of-program target for this component is to have 8-10 infrastructure projects completed in good performing local governments. USAID will measure LGRP's performance by the number of sub-contracts it signs on behalf of USAID within the specified timeframe, and by the payments it executes upon completed projects.</b>	<b>1Q 2006</b> LGRP prepares a model construction contract; first group of 4-5 projects identified (responsibility of USAID & MSTTD)	Model contract prepared from existing Croatian and EU or EU-accession country contracts in practice; to be reviewed by UI Contracts office and USAID  Anticipated Time Period: Dec 2005	- Mikelsons - Memic - Ignatova - Lawrence
	<b>2Q 2006</b> Sub-contracts signed for the implementation of first group of 4 – 5 projects	Project selection (first group) reviewed documentation and provide recommendations; monitor all tendering and selection of MSTTD contractor; following UI contracts office approval, negotiate subcontracts for USAID-funded portion of infrastructure projects. Payments authorized following supervisory engineer certification and MSTTD & USAID verification of subcontractor provision of goods, works, or services necessary for project implementation.  Anticipated Time Period: Mar 2006	- Mikelsons - Memic - Ignatova - Polen
	<b>4Q 2006</b> Second group of 4 - 5 projects identified (responsibility of USAID & MSTTD)	Project selection (second group) reviewed documentation and provide recommendations; monitor all tendering and selection of MSTTD contractor; following UI contracts office approval, negotiate subcontracts for USAID-funded portion of infrastructure projects. Payments authorized following supervisory engineer certification and MSTTD & USAID verification of subcontractor provision of goods, works, or services necessary for project implementation.  Anticipated Time Period: Sept 2006	- Mikelsons - Memic - Ignatova - Polen
	<b>1Q 2007</b> First group of 4 – 5 projects completed, all payments executed.	Documentation for payment prepared for first group.  Anticipated Time Period: Nov 2006	- Mikelsons - Memic - Ignatova - Polen
	<b>2Q 2007</b> Sub-contracts signed for the implementation of the second group of 4 – 5 projects.	Project selection (second group) reviewed documentation and provide recommendations; monitor all tendering and selection of MSTTD contractor; following UI contracts office approval, negotiate subcontracts for USAID-funded portion of infrastructure projects. Payments authorized following supervisory engineer certification and MSTTD & USAID verification of subcontractor provision of goods, works, or services necessary for project implementation.	- Mikelsons - Memic - Ignatova - Polen
	<b>4Q 2007</b> Second group of 4 – 5 projects (a total of 8 – 10) are completed, all payments executed.	Documentation for payment prepared for second group.  Anticipated Time Period: Sept 2007	- Mikelsons - Memic - Ignatova - Polen



## Component 8. PUBLIC PROCUREMENT

### Description of Activities to Address the Targets and Benchmarks

LGRP has developed a draft Procurement Guide, which contains procedures and templates needed to implement procurement processes in local governments. In order to be more efficient in implementation of these best practices in procurement and have greater impact on procurement procedures in local governments, LGRP established a relationship with Public Procurement Office and CARDS Twinning Project assisting the Office. All three parties agreed to cooperate on utilizing the draft Guide as basis to finalize the Public Procurement Manual. After the Manual is finalized, the joint agreement calls for all parties to conduct a series of training events for local governments to disseminate the best practices on procurement.

CARDS Twinning Project has a timeframe for implementation of its activities that extends past the LGRP timeframe, thus, LGRP adjusted its timeline to the one for the CARDS Project with USAID's concurrence. For this reason, the deadline for addressing benchmarks found in the LGRP SOW was changed. Cooperation with CARDS Twinning Project and Public Procurement Office will provide an assurance that the Manual will be widely used and ensure impact on procurement processes for local governments.

LGRP will address the target and benchmarks for this component in a close working cooperation with the Procurement Office and CARDS Project. As part of this cooperation, LGRP, working with its partners, created a Working Group that will meet on a weekly basis to monitor progress on harmonizing the draft LGRP procurement manual with CARDS Project and Office suggestions. In order to accelerate the work, LGRP will utilize an international procurement expert(s) to work on ensuring consistency with the work of the CARDS project and Procurement Office.

Based on the approved manual, LGRP will design, in collaboration with its partners, a training strategy and promote it in the media. After the Manual is finalized, it will be tested in LGRP partner local governments. Furthermore, LGRP will promote modern procurement procedures through conferences and workshops organized in cooperation with CARDS Project and Procurement Office.

### LGRP Labor Resources

- **Resident Advisers and Local Staff:** Maris Mikelsons, Krzysztof Chmura, Miroslav Alilovic, Suncica Pleština
- **Short Term Consultants (Contractors):** International Public Procurement Expert TBD (LOE 70), International Training Expert TRG (LOE 15), Local Trainers (LOE 40), Monitoring Expert Victor Wekselberg (LOE 15)



Table 13. PUBLIC PROCUREMENT

Targets	Benchmarks and Quarters	Steps and Anticipated Time Period	Labor Resources
8.4.1. The life-of-program targets for this component are to have GoC Public Procurement Office use LGRP's procurement model as the national standard and to have 100 local governments employ competitive, transparent, procurement procedures and practices for \$ 20 million in new procurements. USAID will measure LGRP's performance by the number of local governments employing the model and by the value of procurements administered using new procedures.	1Q 2006 (3Q 2006) Guide and best practices approved for widespread use by GoC Office for State Procurement  [ In order to accommodate EU CARDS Project schedule USAID and LGRP agreed to move above benchmark from 1 Q 2006 to 3 Q 2006].	Working Group formed for final refining and purification of the Manual (members from different Croatian public contracting entities, e.g. line ministries, local governments and other qualified government institutions).  Anticipated Time Period: Oct 2005	- Mikelsons - Alilovic - International Public Procurement Expert TBD
		Facilitate agreement of Working Group on structure of the Croatian Public Procurement Manual  Anticipated Time Period: Oct 2005	
		Regular weekly meetings conducted with CARDS 2002 Twining Project and Public Procurement Office's representatives regarding work on creation of set of forms and templates for Croatian Public Procurement Manual.  Anticipated Time Period: Oct- Dec 2005	
		LGRP Guide for Procurement Procedures and Best Practices harmonized with CARDS 2002 Twining Project and Public Procurement Office's demands.  Anticipated Time Period: Dec 2005	
		Working Group conducted to review LGRP Guide and to make final suggestions for adjustment with actual public procurement practices in Croatia  Anticipated Time Period: Dec 2005	
		Croatian Public Procurement Manual completed for dissemination to the public by joint work with CARDS 2002 Twining Project and Working Group (modification in accordance with comments and suggestions from public entities)  Anticipated Time Period: Apr-May 2006	
		Final approval of Croatian Public Procurement Manual sought and development of a training strategy from Public Procurement Office.  Anticipated Time Period: May 2006	
		Public Croatian Public Procurement Manual presented and planned training activities at press conference.  Anticipated Time Period: May 2006	



Table 13. PUBLIC PROCUREMENT (Continued)

Targets	Benchmarks and Quarters	Steps and Anticipated Time Period	Labor Resources
		Regional conferences conducted regarding promotion and dissemination of the Croatian Public Procurement Manual to local governments  Anticipated Time Period: May - Jun 2006	
		Croatian Public Procurement Manual use monitored for procurement processes at local governments.  Anticipated Time Period: Jun 2006	
	<b>2Q 2006 (1Q 2007)*</b> At least 50 LGs trained to use guide and best practices  [ In order to accommodate EU CARDS Project schedule USAID and LGRP agreed to move above benchmark from 2 Q 2006 to 1 Q 2007 ].	Collaboration with CARDS 2002 Twinning Project and Public Procurement Office continues to finalize first draft of Croatian Public Procurement Manual.  Anticipated Time Period: Jan – Feb 2006	- Mikelsons - Alilovic - Plestina - International Public Procurement Expert TBD - Training Expert TRG
		Working Group continues to review finalization of first draft version of the Manual.  Anticipated Time Period: Jan-Feb 2006	
		Approval is sought for first draft of Croatian Public Procurement Manual from Public Procurement Office  Anticipated Time Period: Feb –Mar 2006	
		First draft of Croatian Public Procurement Manual to the public presented.  Anticipated Time Period: Feb –Mar 2006	
		Croatian Public Procurement Manual tested in LGRP's partner local governments (Bjelovar, Pakrac and Hrvatska Kostajnica)  Anticipated Time Period: Jul- Sep 2006	- Mikelsons - Alilovic - International Public Procurement Expert TBD - Local Trainers TBD - Expert TBD - Training Expert TRG
		Croatian Public Procurement Manual promoted and disseminated to local governments through regional conferences.  Anticipated Time Period: Sep 2006	
		Final training materials prepared for widespread dissemination of the Croatian Public Procurement Manual based on experience gained in utilization of Manual in LGRP's partner local governments  Anticipated Time Period: Sep 2006	
		Training provided concerning use of Croatian Public Procurement Manual for at least 50 local governments that expressed interest for employing competitive, transparent procurement practices.  Anticipated Time Period: Oct – Dec 2006	



Table 13. PUBLIC PROCUREMENT (Continued)

Targets	Benchmarks and Quarters	Steps and Anticipated Time Period	Labor Resources
	<b>3Q 2006 (2Q 2007)*</b> Additional 50 LGs / a total of at least 100 LGs trained to use guide and best practices  [ In order to accommodate EU CARDS Project schedule USAID and LGRP agreed to move above benchmark from 3 Q 2006 to 2 Q 2007 ].	Training provided concerning use of Croatian Public Procurement Manual for additional 50 local governments that expressed interest for employing competitive, transparent procurement practices.  Anticipated Time Period: Jan – Mar 2007	- Mikelsons - Alilovic - International Public Procurement Expert TBD - Local Trainers TBD - Training Expert TRG
	<b>1 Q 2007 (3 Q 2007)*</b> 50 LGs employ competitive, transparent procurement practices for \$10 million  [ In order to accommodate EU CARDS Project schedule USAID and LGRP agreed to move above benchmark from 1 Q 2007 to 3 Q 2007 ].	Consultations and additional technical assistance to trained LGs  Anticipated Time Period: Apr-Jun 2007	- Mikelsons - Alilovic - Local Trainers TBD - Monitoring Expert - Wekselberg
		Monitor and evaluate utilization of competitive, transparent procurement practices in trained local governments.  Anticipated Time Period: Apr-Jun 2007	
	<b>2 Q 2007 (4 Q 2007)*</b> Additional 50 LGs (a total of 100) employ competitive, transparent procurement practices for an additional \$10 million in procurements for a total of \$20 million in public procurements.  [ In order to accommodate EU CARDS Project schedule USAID and LGRP agreed to move above benchmark from 2 Q 2007 to 4 Q 2007 ].	Consultations and additional technical assistance to trained LGs.  Anticipated Time Period: Jul-Sept 2007	- Mikelsons - Alilovic - Local Trainers TBD - Monitoring Expert - Wekselberg
		Monitor and evaluate utilization of competitive, transparent procurement practices in trained local governments.  Anticipated Time Period: Jul-Sept 2007	



## **Component 9. FINANCIAL MANAGEMENT (CBS)**

### **Description of Activities to Address the Targets and Benchmarks**

LGRP is addressing modern financial management in local governments through development and promotion of the Croatian Budget System (CBS). This user friendly software tool supports budget preparation in program budget format along with report generation for multiple purposes (presentation of the budget to local government councils and reporting to the Ministry of Finance). In order to ensure sustainability (and maintenance) of the software, LGRP's approach is to promote the CBS software to private sector vendors offering accounting software to local governments on the Croatian market. LGRP is now working with several accounting firms that have existing relationships with local governments to launch a promotional campaign and present additional functions of CBS software which could enrich existing accounting applications found in vendor software.

LGRP will address the target for this component by identifying vendors offering accounting software to Croatian local governments to entice them to adopt the CBS as part of their existing accounting software. The first step is to organize seminars for vendors to describe and show the functions of the CBS software. Those vendors that express an interest in the CBS will be supported by training and one-to-one assistance on incorporating CBS or its elements in their existing software. In order to ensure the utilization of CBS, LGRP will work with interested vendors to incorporate the software into existing packages. Additionally, LGRP will promote CBS capabilities through other channels, such as its website and newsletters.

To incorporate the CBS or its elements as part of existing accounting software of vendors, LGRP will strategically utilize an international consultant that developed and created the CBS to ensure the software is incorporated in part or whole to existing accounting systems of vendors.

### **LGRP Labor Resources**

- **Resident Advisers and Local Staff:** Krzysztof Chmura, Miroslav Alilovic, Zoran Svoboda
- **Short Term Consultants (Contractors):** Eric Uggen (LOE 25)



Table 14. FINANCIAL MANAGEMENT (CBS)

Targets	Benchmarks and Quarters	Steps and Anticipated Time Period	Labor Resources
9.3.1. LGRP's performance will be measured in terms of the number of private sector vendors and consultants that offer the software to client LGs that adopt the software as their preferred budgeting system. LGRP will ensure that at least 5 vendors adopt the CBS as part of their offerings to LGs with a view to reach at least 100 LGs. The CBS will be provided by LGRP to vendors on CDs with accompanying training guide materials and will put the CBS and supporting materials on the project web site and other appropriate internet sites for wide dissemination.		Additional presentation conducted of the functions, set-up and maintenance of the "Croatian Budget System-CBS" to second group of Croatian software companies.  Anticipated Time Period: Oct 2005	<ul style="list-style-type: none"><li>- Chmura</li><li>- Alilovic</li><li>- Svoboda</li><li>- Uggen</li></ul>
		Trainings conducted on incorporation of the CBS into software packages to software companies, which will sustain this system in the long run, and final dissemination of CBS and User Manuals.  Anticipated Time Period: Oct 2005	
		UI Financial Management staff trained in use of CBS for budget preparation and execution reporting.  Anticipated Time Period: Oct 2005	
		Agreements drafted with software vendors regarding copyright on use CBS in their offerings to LGs.  Anticipated Time Period: Jan 2006	
		CBS and supporting materials publicized on the project web site and other appropriate internet sites for wide dissemination.  Anticipated Time Period: Jan 2006	
		Monitor and evaluate utilization of the CBS by LGs that adopted CBS as a tool for budget preparation.  Anticipated Time Period: Mar 2006	



## Component 10. MARKET FOR LOCAL GOVERNMENT SERVICES (OUTSOURCING)

### Description of Activities to Address the Targets and Benchmarks

LGRP initially addressed the market of local government consulting services through training close to 100 local consultants in implementation of LGRP management models. Consultants then were requested to offer their services on a market. In order to “kick-start” the market, LGRP supported local governments by offsetting the labor cost of consultants in two Cost-share Programs. This approach resulted in more than 150 local governments served by LGRP-trained consultants and nearly 200 contracts implemented. Local Governments devoted over \$2 million kuna to hire LGRP-trained consultants under the second Cost-share program. This represents an increase in funding for consultancy services by 133 percent in comparison with the first Cost-share program. Since October 2005 LGRP has widened the approach to the market to address all services outsourced by local governments to private firms, individuals and NGOs.

LGRP will support the expansion of local government outsourcing market with different activities addressing both the demand and supply sides of the market. In order to assist local governments in their search for service providers, LGRP will create a directory of professional expertise. LGRP will also conduct a review of the outsourcing market and will design and conduct a series of regional outsourcing conferences. Conferences will address critical issues in outsourcing market can further improvements in outsourcing activities, such as procedures for outsourcing consultants, private firms and NGOs.

LGRP will address the supply side of the market (with the focus on services improving managerial functions of local governments) and continue assisting HUKON to become an organization capable of regulating the market and organizing training for service providers. LGRP will organize a series of training events in collaboration with HUKON to illustrate know-how and assist HUKON in developing a long-term approach to sustainability. The training will address high-priority topics such as drafting applications to EU funds and developing projects and proposals to different financial sources. LGRP will also support HUKON in the organization of Assembly meeting to adopt quality standards and a training plan.

In order to monitor the progress of the outsourcing market, LGRP will develop a system to collect data and evaluate how the knowledge and skills promoted at LGRP events contributed to an increase in outsourcing practices.

LGRP plans to strategically utilize international experts to address critical elements of interventions promoting outsourcing.

#### LGRP Labor Resources

- **Resident Advisers and Local Staff:** Krzysztof Chmura, Mirna Karzen, Samir Memic and other LGRP Staff for specific expertise
- **Short Term Consultants (Contractors):** IT Local Consultants (LOE 20 days), Marija Raos (LOE 35), Local Financial Management Expert TBD (LOE 75), Local Trainers TBD (LOE 70), International Training Expert TRG (LOE 15 days), Local Evaluation Expert (LOE 15), Victor Wekselberg (LOE 25 days), Raiffeisen Consulting (subcontract)



Table 15. MARKET FOR LOCAL GOVERNMENT SERVICES (OUTSOURCING)

Targets	Benchmarks and Quarters	Steps and Anticipated Time Period	Labor Resources
10.4.1. The end of project target is for local governments to award at least 200 contracts on a full-cost basis and an additional 200 contracts/grants to NGOs to provide cost-effective and improved service delivery.	1Q 2006 Dissemination of Directory of available Croatian professional services.	Directory at outsourcing conferences presented.	- Chmura - Memic - IT consultant (TBD)
		Anticipated Time Period: Oct – Dec 2005	
		Directory posed on LGRP webpage	
		Anticipated Time Period: October 2005	
		CD and/or printing a hard copy of Directory developed and distributed among local governments	
	1Q 2006 Five nation-wide conferences for local government officials on the practice of outsourcing and available consultants and consulting firms. These will include procurement and contracting mechanisms	Anticipated Time Period: Dec 2005	- Chmura - Karzen - Memic - Presenters (HUKON, AED National Foundation for Civil Sector) - GONG, - Forum udruuga Slavonije, - Udruga MI, Split
		Directory upgraded to a web-based application	
		Anticipated Time Period: Feb 2006	
		Regional conferences organized in five cities (Opatija, Koprivnica, Osijek, Split and Zagreb) for local government representatives, each from 3-4 counties.	
		Anticipated Time Period: Oct – Dec 2005	
	1Q 2006 LGRP prepares a strategy for tracking outsourcing by local governments and the number of outsourcing contracts fulfilled by consultants.	Draft monitoring system developed for tracking outsourcing by local governments (to track contracts and grants).	- Chmura - Karzen - Memic - Monitoring Expert Wekselberg
		Anticipated Time Period: Dec 2005	
		System to track number of hits at web pages hosting Directory of professional expertise designed.	
		Anticipated Time Period: Feb 2006	
	1Q 2006 An independent evaluation of HUKON will be conducted	Strategy for tracking the number of contracts and grants by LGs and consultants presented.	- Chmura - Karzen - Local Evaluation Expert (TBD) - Monitoring Expert Wekselberg
		Anticipated Time Period: Dec 2005	
		Draft evaluation plan for HUKON (to include, for example interviews and/or surveys) developed.	
		Anticipated Time Period: Dec 2005	
		Evaluation of HUKON conducted.	
		Anticipated Time Period: Feb 2006	



Table 15. MARKET FOR LOCAL GOVERNMENT SERVICES (OUTSOURCING) (Continued)

Targets	Benchmarks and Quarters	Steps and Anticipated Time Period	Labor Resources
	2Q 2006 LGRP delivers financial planning, marketing, administration of continued education and training, and certification assistance to local government consultants and NGOs	3-day training on the Project Proposal development for the EU pre-accession funds for consultants and local government representatives conducted.	- Chmura - Karzen - Memic - Raos - Raiffeisen Consulting
		Anticipated Time Period: Nov 2005	
		4-day training on funding sourcing, project proposal writing, marketing, monitoring and evaluation of projects for NGOs, firms and consultants – service providers to LGs conducted.	
	2Q 2006 HUKON adopts annual training plan, strategy for member certification and collects best practices for its membership	Anticipated Time Period: Feb – Mar 2006	
		Training for HUKON on project proposal writing and financial plan development conducted.	
		Anticipated Time Period: Jan - Mar 2006	
		Training plan and strategy for certification of local government consultants developed.	- Chmura - Karzen - Memic - International Training Expert (TRG)
		Anticipated Time Period: Jan – Feb 2006	
		HUKON develops project proposals and defining priorities strategy, as well as on promoting their activities to other associations and organizations/donors (e.g., TREF, National Foundation, Savez, AED etc.)	
		Anticipated Time Period: Jan – Mar 2006	
		Report and recommendations prepared on the improvements within HUKON (e.g., organizational, promotional, program, membership certificates, collection of best practices)	
		Anticipated Time Period: Mar 2006	
		HUKON adopts quality standards, training plan at HUKON Assembly	
		Anticipated Time Period: Mar 2006	



**Table 15. MARKET FOR LOCAL GOVERNMENT SERVICES (OUTSOURCING) (Continued)**

Targets	Benchmarks and Quarters	Steps and Anticipated Time Period	Labor Resources
	<b>2Q 2006</b> LGRP identifies 50 local governments that will outsource. At least 150 PA contracts and 100 NGO contracts/grants are awarded by any local government on a full-cost basis	Outsourcing by local governments to consultants and other entities is monitored.  Anticipated Time Period: Jan – Mar 2006	<ul style="list-style-type: none"> <li>- Chmura</li> <li>- Karzen</li> <li>- Memic</li> <li>- Monitoring Expert Wekselberg</li> <li>- Local Trainers (TBD)</li> </ul>
		Grants to NGOs after implementation of the NGO Charter in selected cities and local governments and other activities related to improving LG practices on transparent financing of NGOs (e.g. through LGRP-trained consultants) is monitored.  Anticipated Time Period: Jan – Mar 2006	
		Outsourcing activities supported by educating service providers to local governments like NGOs, firms, consultants (e.g. through HUKON)  Anticipated Time Period: Jan – Mar 2006	
		Best practices promoted (outsourcing for LGs, NGO charter, etc.) to LGs through various channels (roundtables, publications, etc.)  Anticipated Time Period: Mar 2006	
	<b>1Q 2007</b> 200 PA contracts and 200 NGP contracts/grants awarded by local governments to consultants and NGOs for cost-effective public service delivery	Outsourcing by local governments to consultants and other entities is monitored.  Anticipated Time Period: Apr – Dec 2006	<ul style="list-style-type: none"> <li>- Chmura</li> <li>- Karzen</li> <li>- Memic</li> <li>- Monitoring Expert Wekselberg</li> <li>- Local Trainers (TBD)</li> </ul>
		Grants to NGOs after implementation of the NGO Charter in selected cities and other activities related to improving local government practices on transparent financing of NGOs (e.g. through LGRP-trained consultants) is monitored.  Anticipated Time Period: Apr – Dec 2006	
		Outsourcing activities by educating service providers to local governments like NGOs, firms, consultants (e.g. through HUKON) supported.  Anticipated Time Period: Apr – Dec 2006	
		Best practices promoted (outsourcing to LGs, NGO charter, etc.) to LGs through various channels (round tables, publications, etc.).  Anticipated Time Period: Dec 2006	



## Component 11. PUBLIC ADMINISTRATION TRAINING

### Description of Activities to Address Targets and Benchmarks

LGRP will work with its partners to conduct five-day certificate courses to address education needs of local government staff. Building upon the well-developed management models and training materials produced under the Project, the LGRP will work with existing local institutions (such as Universities identified in the SoW and other organizations such as HUKON, ODRAZ, Local Democracy Academy and others) to strengthen the curricula and work towards establishing ongoing education for local government staff.

This work will center on advancing existing efforts by local institutions of higher learning and others to develop capacity for delivery of public administration courses on an ongoing basis. For example, under LGRP I, Cleveland State University and the University of Rijeka teamed to implement a one-week long seminar on a pilot basis as first step to advance the establishment of post-graduate study in local government public administration. LGRP will build upon this experience to further advance the establishment of ongoing education and enhance the capacity of institutions for sustainable programs of education.

The LGRP will also assist the Government's Office for State Administration to create and establish a Local Democracy Academy, which should become active starting from 2006. This work will be centered on legal assistance for drafting statutes and founding act of the Academy and further to provide assistance in curricula development and liaison with other institutions conducting similar activities in Europe, including the Council of Europe. The LGRP also considers this an opportunity to join the forces of the State Administration Office and the Savez to develop a program and curricula to develop the capacities and professional qualifications of local elected and administrative officials. This role becomes especially urgent as the Decentralization Commission elaborates the decentralization strategy and with implementation of further transfer of responsibilities and competencies to local self-government units.

### LGRP Labor Resources

- **Resident Advisers and Local Staff:** Maris Mikelsons, Krzysztof Chmura, Momo Kuzmanovic, Nenad Klapcic, Suncica Pleština
- **Short Term Consultants (Contractors):** Cleveland State University (subcontract), Rebecca Lawrence (LOE 15), International Training Expert TRG (LOE 10 days), Local Trainers TBD (LOE 15), International Trainers TBD (LOE 40)



Table 16. PUBLIC ADMINISTRATION TRAINING

Targets	Benchmarks and Quarters	Steps and Anticipated Time Period	Labor Resources
11.4.1. The University of Rijeka will have successfully completed an academic program offering a Masters degree in public administration by the end of the 2006 academic year. LGRP will provide limited assistance to recruit the second class of public administration graduate students. LGRP will also design and assist in the delivery of short-term (5-day per month over the 24 month period) public administration certificate programs for minimum three Croatian universities or other institutions of higher learning. LGRP will also design electronic extension courses between Croatian institutions and American universities to be delivered on-line using public administration management models. The areas of instruction for the certificate programs will address topics of public administration responding to the market needs with emphasis on areas offered by the LGRP.	4Q 2005 LGRP will present a design for certificate programs in public administration to the University of Zagreb, University of Zadar, University of Split and Zagreb School of Economics and Management.	University of Rijeka develops a recruiting strategy for the Masters degree in public administration.  Anticipated Time Period: Sept 2005	<ul style="list-style-type: none"> <li>- Mikelsons</li> <li>- Kuzmanovic</li> <li>- Lawrence</li> <li>- Plestina</li> <li>- Training Experts TRG</li> <li>- Local Trainers TBD</li> </ul>
		Design for certificate programs in public administration presented to the University of Zagreb, University of Zadar, University of Split and Zagreb School of Economics and Management  Anticipated Time Period: Sept 2005	
	1Q 2006 At least two certificate courses in public administration are offered at partner institutions and serving a minimum of 50 participants	University of Zadar and Zagreb School of Economics and Management develops draft PA strategies and draft implementation plan.  Anticipated Time Period: Oct 2005.	<ul style="list-style-type: none"> <li>- Mikelsons</li> <li>- Kuzmanovic</li> <li>- Klapcic</li> <li>- Cleveland State University</li> <li>- International Trainers</li> </ul>
		Task forces for PA Certificate Courses established along with strategy and implementation in four institutions of higher education: University of Zadar (College for Management in Tourism located in Šibenik); Zagreb School of Economics and Management; Faculty of Law at University of Split and Faculty of Political Science at University of Zagreb.  Anticipated Time Period: Nov -Dec 2005.	
		PA certificate courses organized at two partner institutions: Zagreb School of Economics and Management and College for Management in Tourism located in Šibenik (part of University of Zadar) with total number of 50 participants, mostly local government representatives and employees.  Anticipated Time Period: Dec 2005.	


**Table 16. PUBLIC ADMINISTRATION TRAINING (Continued)**

Targets	Benchmarks and Quarters	Steps and Anticipated Time Period	Labor Resources
	<b>2Q 2006</b> Additional certificate courses in public administration are offered at 2 additional partner institutions serving a minimum of 50 participants.	Croatian partner institution identified with capacity to develop extension course through video conferencing in public administration and utilizes opportunity of cooperation with an American institution (with focus on College for Management in Šibenik and Zagreb School for Economics and Management).	- Mikelsons - Kuzmanovic - Klapcic - Cleveland State University
		Anticipated Time Period: Jan 2006	
		Zagreb University (Prof. Grdešić and Prof. Petak) implements promotional and recruitment strategy for the first PA Course at Zagreb University planned to start at the beginning of February.	
		Anticipated Time Period: Jan 2006.	
		Organization of the first PA certificate Course by Zagreb University to serve at least 25 participants that incorporates televideo conferencing with CSU.	
		Anticipated Time Period: Feb 2006.	
	<b>3Q 2006</b> One partner institution offers an extension course in public administration in cooperation with an American institution and delivered through video conferencing.	Four partner institutions, identified during December 2005 and January 2006, organize the first PA Certificate Course.	- Mikelsons - Kuzmanovic - Klapcic - Cleveland State University
		Anticipated Time Period: Mar 2006.	
		Four partner institutions for PA certificate courses finalize Strategic, Action Plan, course designs and modes of cooperation with one of the American Institutions and LGRP.	
		Anticipated Time Period: Mar 2006.	
	<b>4Q 2006</b> At least two certificate courses in public administration are offered at 2 partner institutions and serving a minimum of 50 participants. This will represent a total of 150 participants in Croatian public administration certificate courses.	Two certificate courses organized by two partner institutions to serve at least 25 participants each.	
		Anticipated Time Period: Sep 2006	
	<b>1Q 2007</b> At least 50 participants will earn certificates of achievement from partner institutions	100 of 150 participants of PA certificate courses organized in 2005 and 2006 will earn certificates of achievement for participation in courses from partner institutions.	
		Anticipated Time Period: Oct – Dec 2006	



## Component 12. CITY TWINNING

### Description of activities to address the targets and benchmarks

In addition to identifying prospective candidates and obtaining needed commitments from those selected, LGRP, working with USAID and its consortium partner ICMA, identified twinning partners who can share comparative US and best practices with Croatian delegations (Dubrovnik, Karlovac, Inner Istria local governments and City of Umag). The LGRP office working with USAID-funded World Learning and ICMA consultants' manages/supports the actual exchanges to ensure that a well-focused joint activity is defined and executed through action plans.

The LGRP has planned and budgeted to organize six twinning exchanges for each Croatian local government or group of Government and their identified US counterparts. As twinning is another tool to increase capacity of local governments, LGRP addresses capacity needs of local governments outside of the group of LGRP "partner local governments" (as they are already receiving technical assistance). This approach allows increasing impact of LGRP on larger number of local governments in Croatia. During the early part of the LGRP, USAID identified four twinning groups involving Dubrovnik, Karlovac, Inner Istria group (Buzin, Pazin, and Labin) and Umag (with original partners of Rovinj and Porec withdrawing from the twinning exchanges). These twinning exchanges are underway to varying degrees. However, all of them will need to be accelerated to accommodate the new timeframe in the revised SoW.

LGRP recommends that the timeframe for two twinning exchanges be extended – the one for Dubrovnik-Monterey exchange and the other for the Umag-Port Townsend exchange -- to allow time for the ActionPlans to be completed and enhance sustainability of the Twinning Program. If these two exchanges can continue past the timeframe stipulated in the SoW, LGRP would retain the original plan for six twinning exchanges to take place for each exchange but they would be conducted in a reasonable time period to allow completion of work initiated in earlier exchanges.

### LGRP Labor Resources

- **Resident Advisers and Local Staff:** Maris Mikelsons, Igor Miškulin
- **Short Term Consultants (Contractors):** ICMA (subcontract)



Table 17. CITY TWINNING

Targets	Benchmarks and Quarters	Steps and Anticipated Time Period	Labor Resources
12.4.1. LGRP will assist in the establishment of 7 city partnerships between Croatian and U.S. cities that provide sustainable assistance following USAID's assistance effort in Croatia resulting in four action plan-oriented EDSPs. LGRP is expected to work with partner cities for the design, development and action planning of partnership agreements in preparation for local council adoption. The Croatian partners will identify areas of importance or problems that may be addressed by the American counterpart city and articulate solutions in an action plan. The action plan will be administered and demonstrate that problems are being addressed.	4Q 2005 Six Croatian local governments draft areas of cooperation for action planning. Action plans include exit strategies, sustainability strategies and actions for future activities.	City of Karlovac Task Force develops a two-page strategic plan for enhancing the Karlovac Commercial Park (KCP) and the Korana Pool District (KPD) that will further build on existing local resources in order to promote economic growth and job creation	- Twinning LG Officials - Mikelsons - Miškulin - ICMA
		Anticipated Time Period: Sept 2005	
		City of Dubrovnik and City of Monterey draft an Action Plan for the partnership	
	1Q 2006 All four action plans drafted and adopted.	Anticipated Time Period: Sept 2005	- Twinning LG Officials - Mikelsons - Miškulin - ICMA
		City of Karlovac designs plan for the redevelopment of the formerly state-owned military barracks in the center of Karlovac that will enhance the City's strategy to attract new residents from neighboring jurisdictions	
		Anticipated Time Period: Oct – Dec 2005	
		Cities of Buzet, Labin and Pazin and City of Port Townsend finalize the Action Plan for the partnership	
		Anticipated Time Period: Oct 2005	
		City of Dubrovnik and City of Monterey finalize the Action Plan for the partnership	
	2Q 2006 Identifiable progress in terms of public administration practices and/or economic activity is made in each of the seven cities.	Anticipated Time Period: Oct 2005	
		City of Umag and City of Port Townsend finalize the Action Plan for the partnership	
		Anticipated Time Period: Dec 2005	
		The City of Karlovac improves the strategies for involving neighborhood groups in the process of public information dissemination and decision-making through replication on Kansas City's Livable Neighborhood Program.	- Twinning LG Officials - Mikelsons - Miškulin - ICMA
		Anticipated Time Period: Jan – Mar 2006	
		The Cities of Buzet, Labin and Pazin improve their techniques of new business attraction through website design and more effective information dissemination.	
		Anticipated Time Period: Jan – Mar 2006	
		The Cities of Buzet, Labin and Pazin design a job retraining program that will address the needs of small business and unemployed on their territory through effective collaborative linkages between the three Istrian cities, universities, and relevant public agencies.	
		Anticipated Time Period: Jan – Mar 2006	





Table 17. CITY TWINNING (Continued)

Targets	Benchmarks and Quarters	Steps and Anticipated Time Period	Labor Resources
	2Q 2006 Identifiable progress in terms of public administration practices and/or economic activity is made in each of the seven cities.	The cities of Buzet, Labin and Pazin improve the techniques for retention of existing businesses while ensuring greater responsiveness by City administrations to the needs of the local entrepreneurial community.	
		Anticipated Time Period: Jan – Mar 2006	
		The City of Karlovac improves the strategies for involving neighborhood groups in the process of public information dissemination and decision-making through replication on Kansas City's Livable Neighborhood Program.	- Twinning LG Officials - Mikelsons - Miškulin - ICMA
		Anticipated Time Period: Jan – Mar 2006	
		The Cities of Buzet, Labin and Pazin explore opportunities for a wider-scope technical partnership between the University of Pula and Blue Mountain Community College	- Twinning LG officials - Mikelsons - Miškulin - ICMA
		Anticipated Time Period: Mar 2006	
		In order to develop tourism activities based on long-term and sustainable principles, Dubrovnik evaluates capacities of hotels to accommodate congresses, develops a strategy in conjunction with ground transportation agencies and develops and executes "dry run" exercises. It then develops a marketing plan to attract citywide congresses	
		Anticipated Time Period: Mar 2006	
		Dubrovnik staff reviews golf course development process for the newly developed golf courses in Monterey and reports to the City Council	
		Anticipated Time Period: Feb – Mar 2006	
		Cities of Umag and Port Townsend create and review plans for redevelopment of the former military barracks in Umag into tourist and commercial multi-purpose center.	
		Anticipated Time Period: Jan – Mar 2006	



Table 17. CITY TWINNING (Continued)

	<b>3Q 2006</b> All exchanges are completed with the exception of the Dubrovnik – Monterey partnership (and the Umag – Port Townsend partnership, should USAID approve it)	Dubrovnik staff in collaboration with Monterey staff create a list of potential public-private partnerships in Dubrovnik; identify legal, institutional and financial obstacles for these joint investment projects and develops legislative, organizational and financial strategies to overcome them	<ul style="list-style-type: none"> <li>- Twinning LG officials</li> <li>- Mikelsons</li> <li>- Miškulin</li> <li>- ICMA</li> </ul>
		Anticipated Time Period: Apr – Jun 2006	
		Dubrovnik staff in collaboration with Monterey staff create a compilation of schematic overview for potential investors and develop policy recommendations to facilitate investor interest	
		Anticipated Time Period: Apr – Sept 2006	
		Dubrovnik and Monterey staff compare capital improvement budget processes for both cities	
	<b>1Q 2007</b> Independent assessment of twinning activity (Mission funded)	Outsourced evaluation conducted by USAID	
		Anticipated Time Period: Jan 2007	



## **Component 13. CITIZEN PARTICIPATION**

### **Description of Activities to Address the Targets and Benchmarks**

LGRP will address Citizen Participation by including various elements of citizen participation in activities addressing LGRP components. In other words citizen participation will be one of the dimensions of most project activities.

The main aspects of citizen participation promoted under the project are information and communication campaigns to better inform citizens about local government activities and to enhance communication between citizens and local governments through access to various public service delivery procedures.

For example in the case of asset management component, decisions and plans are being introduced to local city councils and, through media, for feedback and scrutiny by the citizens. Economic development strategic plans are being developed in a transparent way, on one hand through involving representatives of community in task force, for the other hand through publicizing the results of task force work meetings and seeking citizens' input to allocation of resources. In case of e-government component, citizens are being involved through provision of detailed information about various activities of local governments posted on their web page and also through various types of surveys and other communication tools.

### **HOME OFFICE SUPPORT FOR WORKPLAN/PROJECT IMPLEMENTATION**

Annette Brown is the Director of the International Activities Center (IAC) at the Urban Institute (UI). Dr. Brown supervises and monitors all IAC projects and coordinates the roster of staff available for any given project. She is supported by a team of Project Managers and International Project Coordinators at the Urban Institute in Washington DC.

The LGRP home office support team remains the same in FY 2006-2007. The Project Manager for the LGRP is Rebecca Lawrence. UI project managers work closely with field offices to ensure optimal institutional support and efficiency. With the Chiefs of Party (CoP), they are responsible for reviewing and approving of project deliverables, recruiting for short-term assignments, contributing to project WorkPlans, monitoring the project budget and achieving project targets, and serving as liaison between the field office and UI home office senior management and with US subcontractors. The project manager also reviews US and Croatian subcontracts and modifications and short term expatriate itineraries and costs.

Rebecca Lawrence, a local government and decentralization specialist, has specific technical assignments within the project, including in those in Component seven and 11, and identifies international innovations and IAC resources and products in local government and decentralization that can be adapted to the LGRP. Rebecca Lawrence maintains close communication with the Chief of Party, Maris Mikelsons, on a regular basis from Washington, and has three short term assignment budgeted in each fiscal year to carry out project management and technical tasks. These on-site visits are integral to UI's field office management policy and are a standard and critical element of UI's home office management of USAID technical assistance contracts.



The International Project Coordinator for the LGRP is Sonia Ignatova. Her role is to provide project staff with up-to-date project management data and to monitor commitments and expenditure of funds and expended level of effort by UI staff, consultants, and subcontractors. Along with technical contributions to the project (including writing, editing, and project guidance in Component seven, Infrastructure Fund and the English language version of the LGRP website), she oversees financial and administrative management of the project and provides training and guidance to the UI/Croatia team in financial management and contractual compliance. She prepares budgets, serves as the point of contact for all subcontractors and consultants for contract needs, provides up-to-date financial information (such as pipeline budgets) required for monitoring commitments and expenditures, ensures that required client approval is requested and obtained per contract requirements, and works closely with local subcontractors to ensure their procedures for documenting costs meet UI and USAID procurement standards. She also reviews invoices and all field office expense reports. She is responsible for serving as liaison between UI/Croatia and UI's Contracts and Accounting departments. Sonia Ignatova works virtually with UI/Croatia on a daily basis from Washington, and three short term assignments to Croatia in each fiscal year are budgeted for her to carry out coordination and review visits with the UI field offices in Zagreb and Split. These on-site visits are integral to UI's field office management policy and are a standard and critical element of UI's home office management for financial administration and contractual compliance.

An important element of UI's quality control system is periodic visits by a representative of Urban Institute's Senior Management to UI's field offices and the associated USAID missions. These management visits provide an opportunity for our advisors and their clients to identify any potential problems that the UI home office can help resolve. Through the structure of our communications with the field offices and UI's management oversight visits, we have been able to identify project implementation problems and suggest solutions to our field offices and USAID.